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THESIS

A DICTIONARY OF
ACQUISITION AND CONTRACTING TERMS

by

Timothy W. Colyer

June 1997

Thesis Advisor: David V. Lamm

Thesis
C6563

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This thesis is part of a joint research project between students of the Naval Postgraduate School in Monterey, CA and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Dayton, OH. The purpose of the research is to establish working definitions for commonly used contracting and acquisition terms and phrases. Twenty-five terms were selected from a master list compiled by previous researchers. Contracting literature and regulations were researched to identify published definitions. The published definitions were used to develop a synthesized definition for each of the 25 terms. The synthesized definitions were submitted to contracting professionals for examination and comments. The acceptability of proposed definitions was based upon consensus and the input from respondents was used to develop a refined definition.

14. SUBJECT TERMS: **Arbitration, Attrition Rate, Best Value, Buy Out, Caucus, Compromise, Consideration, Cost Growth, Cost Risk, Deadlock, Electronic Data Interchange, Factfinding, First Article, Learning Curve, Liquidated Damages, Not-To-Exceed, Outsourcing, Partnering, Past Performance, Profit, Proposal, Solicitation, Sound Business Practices, Unsolicited Proposal, Weighted Guidelines**			15. NUMBER OF PAGES 214 16. PRICE CODE
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A DICTIONARY OF ACQUISITION AND CONTRACTING TERMS

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Lieutenant, Supply Corps, United States Navy
B.S., Southeast Missouri State University, 1985

Submitted in partial fulfillment
of the requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

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ABSTRACT

This thesis is part of a joint research project between students of the Naval Postgraduate School in Monterey, CA and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Dayton, OH. The purpose of the research is to establish working definitions for commonly used contracting and acquisition terms and phrases. Twenty-five terms were selected from a master list compiled by previous researchers. Contracting literature and regulations were researched to identify published definitions. The published definitions were used to develop a synthesized definition for each of the 25 terms. The synthesized definitions were submitted to contracting professionals for examination and comments. The acceptability of proposed definitions was based upon consensus and the input from respondents was used to develop a refined definition.

TABLE OF CONTENTS

I. INTRODUCTION 1

A. BACKGROUND 1

B. SCOPE AND ASSUMPTIONS 2

C. RESEARCH QUESTIONS AND BENEFITS. 3

D. RESEARCH METHODOLOGY 3

E. THESIS ORGANIZATON 6

II. ANALYSIS OF RESPONSES, SURVEY A 9

A. INTRODUCTION 9

B. TERM ANALYSIS 10

C. SUMMARY 56

III. ANALYSIS OF RESPONSES, SURVEY B 59

A. INTRODUCTION 59

B. TERM ANALYSIS 60

C. SUMMARY 103

IV. CONCLUSIONS AND RECOMMENDATIONS 105

A. INTRODUCTION 105

B. CONCLUSIONS 105

C. RECOMMENDATIONS 107

D. RESEARCH QUESTION ANSWER 110

E. GENERAL COMMENTS 111

F. SUMMARY 111

LIST OF REFERENCES. 113

APPENDIX A: PUBLISHED DEFINITIONS 115

APPENDIX B: INITIAL LETTER. 131

APPENDIX C: SURVEY A, QUESTIONNAIRE #1 133

A. COVER LETTER 134

B. QUESTIONNAIRE 135

APPENDIX D: SURVEY A, QUESTIONNAIRE #2 143

A. COVER LETTER 144

B. QUESTIONNAIRE. 144

APPENDIX E: SURVEY A, QUESTIONNAIRE #3 153

A. COVER LETTER 154

B. QUESTIONNAIRE. 154

APPENDIX F: SURVEY B, QUESTIONNAIRE #1 163

A. COVER LETTER 164

B. QUESTIONNAIRE. 165

APPENDIX G: SURVEY B, QUESTIONNAIRE #2 173

A. COVER LETTER 174

B. QUESTIONNAIRE. 174

APPENDIX H: SURVEY B, QUESTIONNAIRE #3 183

A. COVER LETTER 184

B. QUESTIONNAIRE. 184

APPENDIX I: PROPOSED FINAL DEFINITIONS BASED UPON THE CONSENSUS PROCUDURE. 193

INITIAL DISTRIBUTION LIST. 203

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I would like to thank my wife, Cathie, for her support, understanding, and the encouragement she provided during this project.

I. INTRODUCTION

A. BACKGROUND

This thesis will expand on earlier research studies conducted by students at the Naval Postgraduate School (NPS), Monterey, CA, and the Air Force Institute of Technology (AFIT), Wright-Patterson Air Force Base, Dayton, Ohio. Lieutenant Commander Daniel F. Ryan, SC, USN initiated this study as his thesis in 1988, entitled A Dictionary of Acquisition and Contracting Terms. The purpose of this thesis study is to synthesize and standardize the meaning of the specific vocabulary used in the acquisition and contracting field by comparing like terms from different aspects of the acquisition and contracting community. The results of this research effort will be utilized to establish a formalized and uniform vocabulary between the various national acquisition and contracting associations. When the study is completed, the consolidated list of terms and phrases will be published as a universal dictionary of acquisition and contracting terminology.

It is imperative to assemble and develop a common language for the national acquisition and contracting community. In order for the various components of the Government and industry acquisition and contracting community to speak a common language, all participants must be using and interpreting terms consistently. Currently, no national effort in this regard has been undertaken. In order to develop a common, unified language, this research effort utilizes an extremely broad base of previously researched and published definitions, graduate student synthesis, as well as constructive criticism from

procurement professionals. The input provided by professionals throughout the United States has allowed for the best opportunity to meet with the approval of the overall professional procurement community.

The objective of this thesis is to provide a part of that common language by researching definitions and presenting the findings, via questionnaires through electronic-mail (e-mail), to procurement professionals across the nation for clarification and validation. The synthesis of these findings will provide a common base for acquisition and contracting terminology.

B. SCOPE AND ASSUMPTIONS

The scope of this thesis is to develop and synthesize 25 working definitions for terms utilized by recognized acquisition and contracting associations. The terms studied in this thesis were selected from a master list developed by students at both the NPS and AFIT. The overall assumption of this thesis is that sufficient agreement on the specific meanings of terms as they apply to acquisition and contracting does not exist. It was also assumed that no single authoritative source of acquisition and contracting definitions exists. The consensus method for evaluating and defining acquisition terminology, as was determined by Ryan and the previous researchers, is the most effective method for establishing this common national working base. [Ref. 1: p.7-8]

C. RESEARCH QUESTIONS AND BENEFITS

The primary research question studied in this thesis is: To what extent can standard meanings be arrived at in the evolving field of contracting in which words are used with various meanings? [Ref. 1: p. 8]

Secondary questions include:

- What agreement can be reached from professionals in the field?
- What definition of terms can be concluded from research and feedback? [Ref. 2: p. 3]
- Is the modified Delphi technique useful for fine-tuning acquisition and contracting terms? [Ref. 3: p. 3]

Three benefits of this research are readily identifiable. They include:

- A move closer to the ultimate goal of developing a comprehensive contracting dictionary.
- In its completed state, this dictionary will be a valuable tool to help train new contracting personnel.
- In its completed state, this dictionary will serve as a valuable, consistent reference tool for those in the acquisition and contracting field. [Ref. 2: p. 3-4]

D. RESEARCH METHODOLOGY

This researcher used a quantitative and qualitative approach that included a review, personal observations, and questionnaire synthesis by acknowledged acquisition and contracting professionals.

A modified-Delphi technique was used to achieve consensus of the terms. In this study one researcher collected and examined three rounds of responses from a large group of acquisition and contracting professionals. If warranted, revisions were made to the original definitions following each round. The following methodology was utilized:

1. Select 25 terms from a master list of terms developed by students at NPS and AFIT.
2. Prepare two separate questionnaires, each containing 12 and 13 working definitions respectively.
3. E-mail each questionnaire to 50 qualified professionals.
4. Send a reminder e-mail one week to 10 days after the initial questionnaire
5. Examine the responses from the respondents.
6. Synthesize the responses into a consensus definition.
7. E-mail a second questionnaire containing the revised definitions to the respondents of the initial questionnaire.
8. Repeat steps 4, 5 & 6.
9. E-mail a third (and final) questionnaire containing the revised definition to the respondents of the second questionnaire.
10. Repeat steps 4 & 5.
11. Analyze the responses and arrive at a final consensus definition for each term.

The 25 terms selected were:

- ARBITRATION
- ATTRITION RATE

- BEST VALUE
- BUY OUT
- CAUCUS
- COMPROMISE
- CONSIDERATION
- COST GROWTH
- COST RISK
- DEADLOCK
- ELECTRONIC DATA INTERCHANGE (EDI)
- FACTFINDING
- FIRST ARTICLE
- LEARNING CURVE
- LIQUIDATED DAMAGES
- NOT-TO-EXCEED (NTE)
- OUTSOURCING
- PARTNERING
- PAST PERFORMANCE
- PROFIT
- PROPOSAL
- SOLICITATION
- SOUND BUSINESS PRACTICES

- UNSOLICITED PROPOSAL
- WEIGHTED GUIDELINES

Two questionnaires containing 12 and 13 definitions respectively, were E-mailed. The aggregate response rate attained in this research was 51% for the first round of questionnaires with an individual questionnaire response rate of 49% for Survey A and 54% for Survey B. The second round of questionnaires yielded an aggregate response rate of 85% and an individual questionnaire response rate of 81% for Survey A and 88% for Survey B. The third round of questionnaires yielded an aggregate response rate of 86% and an individual questionnaire response rate of 91% for Survey A and 82% for Survey B. The researcher believes the responses were more than adequate due to the high caliber, detailed input that was received.

E. THESIS ORGANIZATION

Chapter I presents an introduction and brief background of the research effort. It stresses the need for a uniform acquisition and contracting vocabulary. It also listed the 25 terms, which were studied in this research effort as well as the methodology utilized. Chapters II and III will explain the definition synthesis process and evaluate the results of the questionnaire responses. The results are divided into two chapters in order to facilitate analysis and follow the format that was utilized by earlier researchers. Chapter II contains 13 terms that were sent out in Survey A to 50 NCMA Board of Advisors, Functional Directors or Chapter Presidents. Survey B contains 12 terms that were sent out to 50 additional NCMA Board of Advisors, Functional Directors or Chapter Presidents, which

will be discussed in Chapter III. Chapter IV contains conclusions, recommendations, answers to the research questions and areas for further research.

II. ANALYSIS OF RESPONSES – SURVEY A

A. INTRODUCTION

This chapter is the first of two chapters that deal with the results of the questionnaires. The results are divided into two chapters in order to facilitate analysis and follow the format that was utilized by earlier researchers. This chapter contains 13 terms that were sent out in Survey A to 50 NCMA Board of Advisors, Functional Directors or/and Chapter Presidents. The terms are as follows: arbitration, best value, buy-out, caucus, compromise, consideration, cost risk, first article, liquidated damages, partnering, past performance, solicitation, and unsolicited proposal. Survey B contains 12 terms that were sent out to 50 additional NCMA Board of Advisors, Functional Directors or/and Chapter Presidents, which will be discussed in Chapter III. The researcher analyzed each response for every term in order to refine the definition by either improving the content or improving the reader's ability to understand the definition.

In the next section entitled "Term Analysis", each term will be presented in the following manner: subsection "a" is the original definition of the term; subsection "b" provides the quantitative results of the initial questionnaire (n= 25); subsection "c" identifies the respondents' comments with their numerical rating in parenthesis; subsection "d" proposes a revised definition based on the responses and the researcher's analysis; subsection "e" is the quantitative results from the second questionnaire (n= 22); subsection "f" contains respondents' comments with their numerical rating in parenthesis from the second questionnaire; subsection "g" is the proposed definition based on the second responses; subsection "h" is the quantitative results from the third questionnaire

(n= 20); subsection "i" is the representative responses from the third questionnaire; subsection "j" is the proposed final definition based on the third responses.

Due to the small sample size, the underlying distribution for each term is not normal and greatly skewed to the right. It is assumed that if the researcher were to acquire a larger sample size, the standard deviation would become smaller, and the mean and standard deviation would approximate a normal distribution.

B. TERM ANALYSIS

1. Arbitration

a. Original Definition:

A technique in which the parties to a dispute submit their differences to an impartial person or group, appointed by mutual consent or statutory provision, for a final and binding determination or judgment, most commonly associated with the Alternative Dispute Resolution (ADR) process.

b. Results:

Strongly Agree	18	(72 %)		
Somewhat Agree	7	(28 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- Not necessarily binding; may be non-binding. (3)

- I agree with your definition; however, if I'm not mistaken, there may be some instances wherein the arbitration decision is not binding. (4)

- I would consider deleting the word "most." While the ADR process is the current buzzword, the word "arbitration" has been around a lot longer and to a lot of folks extends to processes for handling issues of personnel matter, international contracting, or (in a more generic sense) arbitration could be used as a way to settle any issue of negotiation which the parties agreed to submit to the arbitrator. Now I am reconsidering your use of the word "dispute." I could get something resolved by arbitration without having to first go to the dispute process of a final decision, etc. I guess your use of dispute (lowercase generic) is ok. (3)

- A method which the parties to a dispute submit their differences to an impartial person or group, appointed by mutual consent or statutory provision for either a final and binding determination Alternative Dispute Resolution (ADR) or non-binding advisory determination. If binding the determination can be entered as a judgement in a court of law. (3)

- Could be a non-binding determination. (3)

- Generally, but not always binding. In court ordered arbitration, parties may appeal and case returns to court for a trial de novo. (3)

- Some mention of "resolution of disputes without the time, expense, and cost of formal litigation." (3)

- Change "technique" to "process" and delete "final and binding." (3)

- There is non-binding arbitration too. (3)

Discussion: This definition has a mean of 3.72 and a standard deviation of .458. It generated several comments with the theme of arbitration that may be non-binding. The researcher reviewed the definition and agreed with the respondents' non-binding comments. The definition was modified to incorporate this change.

d. Proposed Definition Based on First Responses:

A technique in which the parties to a dispute submit their differences to an impartial person or group, appointed by mutual consent or statutory provision for either a final and binding determination or non-binding advisory determination, commonly associated with the Alternative Dispute Resolution (ADR).

e. Results from Second Questionnaire:

Strongly Agree	20	(91 %)		
Somewhat Agree	0	(0 %)	Agree	91 %
Somewhat Disagree	0	(0 %)	Disagree	4.5 %

Strongly Disagree	1	(4.5 %)	No Comment	4.5 %
No Comment	1	(4.5 %)		

f. Responses from Second Questionnaire:

The following comment, although valid, was not implemented in the revised definition. See the discussion section below.

- You do not distinguish from the other forms of ADR, to make it clear that it is without recourse to litigation. Arbitration is characterized by being a private, adversarial, adjudicative process. These features must be included in any meaningful definition. (1)

Discussion: This definition has a mean of 3.85 and a standard definition of .654. The responses received indicated that the revised definition improved upon the original, as is demonstrated by the majority of respondents strongly agreeing with this revised definition. One respondent replied with a no comment. The only other comment received indicated legal considerations, the researcher feels this is not necessary for the scope of this definition.

g. Proposed Definition Based on Second Responses:

The researcher did not change the previous definition. The definition remains as follows:

A technique in which the parties to a dispute submit their differences to an impartial person or group, appointed by mutual consent or statutory provision, for a final and binding determination or non-binding advisory determination, commonly associated with the Alternative Dispute Resolution (ADR) process.

h. Results from Third Questionnaire:

Strongly Agree	19	(95 %)		
Somewhat Agree	0	(0 %)	Agree	95 %
Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Agree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comments were not implemented to revise the definition:

- Not sure about the antonyms. (4)

- Strongly Disagree. No Comment: (1)

Discussion: This definition has a mean of 3.90 and a standard deviation of .447. The researcher concludes that the definition is solid due to an agreement rate of 95%.

j. Proposed Final Definition Based on Third Responses:

The researcher did not change the previous definition. The definition remains as follows:

A technique in which the parties to a dispute submit their differences to an impartial person or group, appointed by mutual consent or statutory provision, for a final and binding determination or non-binding advisory determination, commonly associated with the Alternative Dispute Resolution (ADR) process.

Synonyms: Private Adjudication
Antonyms: Negotiation, Agreement, and Litigation
Example:
-The arbitration authority listened carefully to both sides and researched the similar cases before making a decision.

2. Best Value

a. Original Definition:

A source selection technique which utilizes a series of quantitative and qualitative trade-offs by evaluating factors in addition to cost such as technical capability, past performance, delivery schedule, risk, level of quality, warranty terms, level of contracting, environmental impact and maintenance.

b. Results:

Strongly Agree	17	(68 %)		
Somewhat Agree	8	(32 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %

Strongly Disagree 0 (0 %)

No Comment 0 (0 %)

c. Responses:

The following comments were used to revise the definition:

- The definition implies objectivity (quantitative and qualitative trade-offs) while I see the decision as more objective. (3)

- This definition implies being able to objectively measure all the factors and make objective trade-offs, which is not always possible. A lot of trade-off decisions are made subjectively. (3)

- Add management to evaluation factors. (3)

- Suggest you add, "to determine which bid is most advantageous to the government." (3)

- Just the term "Best Value" is not automatically associated with a source selection method/technique. (3)

- Delete "level of contracting." (3)

The following comments, although valid, were not implemented into the revised definition as the researcher felt that they did not substantially change the definition:

- An editorial comment. In our loss on the JASSM program, we felt that this technique could result in somewhat subjective and arbitrary decision; however, that's just probably sour grapes from a losing contractor. (4)

- I think that it would also help if you could add to this the fact that cost is not the primary factor or that selection is not driven primarily by cost.(4)

- ...Usually unknown to offerors. (3)

- May want to add: "Cost becomes a more significant factor as there is less difference between scores in other factors." (3)

- Difficult term to define. Federal Acquisition Regulations now "defines" this term. (4)

Discussion: This definition has a mean of 3.68 and a standard deviation of .476. Although there is a 100 % agreement rate on the definition, there are many excellent comments the researcher believes should be used to moderately modify the original definition for further clarification.

d. Proposed Definition Based on First Responses:

A source selection technique which utilizes a series of quantitative (objective) and qualitative (subjective) trade-offs by evaluating factors in addition to cost such as technical capability, past performance, delivery schedule, risk, level of quality, warranty terms, environmental impact and maintenance and management to determine which bid is most advantageous to the Government.

e. Results from Second Questionnaire:

Strongly Agree	15	(68 %)		
Somewhat Agree	4	(18 %)	Agree	86 %
Somewhat Disagree	1	(4.5 %)	Disagree	9 %
Strongly Disagree	1	(4.5 %)	No Comment	5 %
No comment	1	(4.5 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- Best Value is not restricted to the Government. Change last three words to "to the buyer" or "to the purchasing organization". Primes may use it with subs, or non-government firms may use best value. (3)

- Suggest changing the last word from "Government" to "buyer/customer." (4)

- Please consider changing "advantageous to the Government" to read: "advantageous to the buyer". The federal Government is not the only organizational buyer in the world to use this technique. One could argue that Best Value is the predominant organizational purchasing method worldwide. (3)

- Change bid to offer in the last sentence. (4)

The following comments, although valid, were not implemented into the revised definition as the researcher believed they did not substantially change the definition:

- Best Value is a noun not a verb. The definition must describe a thing not a process. I'm sure you don't have to define what qualitative and quantitative mean. General principal should be stated as: "The best beneficial outcome for the use of the purchaser's resources." (2)

- Best Value is NEVER used in an IFB. Substitute the word "proposal" for bid and I'll agree with the definition. (1)

- Change "Government" to read "customer". (4)

- You may want to consider adding "personnel" as another item listed, since quality of the team and people doing the task are often important, particularly in a research environment. (3)

- The aggregate of factors in best value can override price in determining what the best value is. Price is one factor only. (3)

Discussion: This definition has a mean of 3.57 and a standard deviation of .810. The researcher agreed with many of the comments and tried to refine the definition further by implementing a minor change to the original definition, by replacing "Government with "buyer". The researcher strongly agrees that the Government is not the only agency using the "Best Value" concept.

g. Proposed Definition Based on Second Responses:

A source selection technique which utilizes a series of quantitative (objective) and qualitative (subjective) trade-offs by evaluating factors in addition to cost, such as technical capability, past performance, delivery schedule, risk, level of quality, warranty terms, environmental impact and maintenance and management to determine which bid is most advantageous to the buyer.

h. Results from Third Questionnaire:

Strongly Agree	19	(95 %)		
Somewhat Agree	0	(0 %)	Agree	95 %
Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Disagree	0	(0 %)		
No comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comment was used to revise the definition:

- You really need to get rid of the work "bid" in your "Best Value" definition. They are mutually exclusive terms! The word "bid" in that definition invalidates the whole thing. Bids are evaluated on price alone; no trade-off analysis is done !!! A best value decision is NEVER done on Bids. (4)

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- Best Value is a judgement or an assessment of a particular use of resources. (2)

Discussion: This definition has a mean of 3.99 and a standard deviation of .447. The researcher agrees that a "Best Value" decision is not made on a "bid" alone as was stated in the definition but the researcher can see where this word can be confusing and has revised the definition by changing "bid" to "proposal".

j. Proposed Final Definition Based on Third Responses:

A source selection technique which utilizes a series of quantitative (objective) and qualitative (subjective) trade-offs by evaluating factors in addition to cost, such as technical capability, past performance, delivery schedule, risk, level of quality, warranty terms, environmental impact and maintenance and management to determine which proposal is most advantageous to the buyer.

Synonyms: Best Source, Blue-Ribbon Contractor, Value for Money, Greatest Value
Antonyms: Bad Value, Poor Return
Example:
- Best Value selection procedures permitted buying the product with known superior quality due to emphasis on life cycle support cost.

3. Buy-Out

a. Original Definition:

To award a contract for all forecasted production requirements to a single contractor. Usually occurs at the end of a product's life cycle or to acquire items when a sole source contractor goes out of business.

b. Results:

Strongly Agree	17 (68 %)		
Somewhat Agree	2 (8 %)	Agree	76 %
Somewhat Disagree	0 (0 %)	Disagree	4 %
Strongly Disagree	1 (4 %)	No Comment	20 %
No Comment	5 (20 %)		

c. Responses:

The following comments, although valid, were not implemented into the revised definition as the researcher felt that they did not substantially change the definition.

- Also used in corporate America as a method of company acquisition by employees or stockholders. (3)

- The definition "as is" does not address a scenario where the contractor opts to (or is forced to) revise the product such that some form, fit or function criteria is affected. The product line continues as far as they are concerned but not so for the consumer. In such cases, we (as the consumer) must either redesign our product or scrounge for remaining requirements from the contractor's inventory or possibly from the contractor's other customers. The phrase "end of a product's life cycle" just seems too vague. (3)

- This is a common commercial term not reserved for the Government-unique example given. (1)

- You've got me on this one. I don't understand it. (No score)

Discussion: This definition has a mean of 3.75 and a standard deviation of .716. Although this term received five no comments and one strongly disagree , the researcher believes the basic definition is valid and required no modifications. The researcher feels that the definition is not "Government Unique" as stated by the respondent who strongly disagrees. The researcher also feels that there are many people in the contracting and acquisition business that have never experienced or been exposed to a "buy-out" situation and therefore had no comment to this term. This definition generated an agreement rate of only 76%, which is the lowest rate of any definition at this point (due to the large number of no comments/no score received). The researcher feels that with a low disagreement rate, e.g. 4%, the definition remains valid and made no changes to the next iteration.

d. Proposed Definition Based on First Responses:

The researcher did not change the previous definition. The definition is as follows:

To award a contract for all forecasted production requirements to a single contractor. Usually occurs at the end of a product's life cycle or to acquire items when a sole source contractor goes out of business.

e. Results from Second Questionnaire:

Strongly Agree	15	(68 %)		
Somewhat Agree	2	(9 %)	Agree	77 %
Somewhat Disagree	0	(0 %)	Disagree	5 %
Strongly Disagree	1	(4.5 %)	No Comment	18 %
No Comment	4	(18 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- You might want to consider adding "supplier" after contractor. My sole exposure to a buy-out situation was on a program where Intel advised us that they would be ceasing production on a particular component and we convinced the Army to make a buy-out.

The following comments, although valid, were not implemented into the revised definition as explained in the discussion section below.

- I think the second part of the definition could be worded better. I might want to use the "buy-out" strategy when it was economically beneficial to purchase and store items for projected future use due to economies of production such as when one set-up (as in milling/stamping small metal parts, or printing) costs most of the bill and the per item cost is minimal. (3)

- Alternate language was already submitted. The definition as stated is Government-unique. The common industrial usage is not addressed. (1)

Discussion: This definition has a mean of 3.72 and a standard deviation of .751.This term continues to have four no comments and one strongly disagree. The researcher does not agree this is a Government unique definition. The respondent states that common industrial usage is not addressed, but provides no further comments, examples or references. This researcher maintains that the basic definition is valid and made only one minor modification.

g. Proposed Definition Based on Second Responses:

To award a contract for all forecasted production requirements to a single contractor. Usually occurs at the end of a product's life cycle or to acquire items when a sole source contractor/supplier goes out of business.

h. Results from Third Questionnaire:

Strongly Agree	17 (85 %)		
Somewhat Agree	2 (10 %)	Agree	95 %
Somewhat Disagree	0 (0 %)	Disagree	0 %
Strongly Disagree	0 (0 %)	No Comment	5 %
No Comment	1 (5 %)		

i. Responses from Third Questionnaire:

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition.

- I believe that you should add the following after "...goes out of business..." "... or makes a decision to discontinue production of the item." (3)

- No comment. No experience in this area.

Discussion: This definition has a mean of a 3.89 and a standard deviation of .315. The agreement rate is 95% with one respondent stating he had "no experience in this area." The researcher believes due to the high agreement rate generated the definition remains valid and therefore made no changes to the definition.

j. Proposed Final Definition Based on Third Responses:

To award a contract for all forecasted production requirements to a single contractor. Usually occurs at the end of a product's life cycle or to acquire items when a sole source contractor/supplier goes out of business.

Synonyms: Assured Quantity, Requirements Satisfaction
Antonyms: Divestiture
Example(s):
- Procurement of all of a particular component that a user can anticipate ever requiring for new production, spares, etc. when a supplier advises that he is discontinuing production of the component. By doing this, the user is avoiding having to redesign the end item to incorporate a different component required because of the non-availability of the original component.

- The contract to buy out the missile production requirements known for the next ten years enabled efficient volume production before the facility was closed.

4. **Caucus**

a. Original Definition:

In negotiations, a break or brief cessation of the proceedings to allow the negotiators or negotiation teams to review a position in private, generally lasting from a few minutes to a few hours.

b. Results:

Strongly Agree	21	(84 %)		
Somewhat Agree	4	(16 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- I would reword this "....to review and decide on a position....." (4)

- These breaks are also often used for quick decision making or consensus reaching, in order to keep the negotiations moving. (3)

- If it's really a brief cessation, then it's not a few hours. Remove the word brief and I'd strongly agree. (3)

- I believe that you should expand your definition to include calling a caucus when tempers flare or perhaps things aren't going your way. Maybe you have a renegade member of your team who is suddenly going down his/her own path and you need to rein in that person. I have called a caucus just to tell a joke to my team members as I felt that things were getting too tense. Another reason might be to throw the other side off stride. (3)

The following comment, although valid, was not implemented into the revised definition as the researcher believes it contains language exactly opposite from the other comments.

- Wording contains limiting language unnecessary to the definition (i.e. the length of time is irrelevant). In negotiations, a cessation of the proceedings to allow the negotiators or negotiation teams to review a position in private. (3)

Discussion: This definition has a mean of 3.84 and a standard deviation of .374. Even though the definition generated an agreement rate of 100%, the researcher believes the respondents' comments were excellent recommendations and therefore implemented the following ideas into the revised definition. The researcher agrees that a caucus could be a few minutes, a few hours, or a few days and deleted the word "brief" from the definition. The researcher also agreed with the fact that a caucus could be called for many reasons and therefore added many of the respondents' suggestions into the definition.

d. Proposed Definition Based on First Responses:

In negotiations, a break or cessation of the proceedings to allow the negotiators or negotiating teams to review and decide a position in private, relieve stress when the tension is too high, throw the other team off stride, or make quick decisions or consensus in order to keep the negotiations moving.

e. Results from Second Questionnaire:

Strongly Agree	19	(86 %)		
Somewhat Agree	2	(9 %)	Agree	95 %
Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- I do not like the words "throw the other team off stride". This suggests cheap, unethical, tactics when the purpose of the negotiation is to AGREE. Start off by saying... Caucus is for the team to meet privately "for any reason" --- such as to review pricing, discuss progress and approaches, or even to provide a break. (2)

- The caucus is ANY cessation initiated by a negotiating team for its own purposes. The examples given are merely representative. (3)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they do not substantially change the definition:

- You might want to address the situation in which one of your team members has gone off on a tangent and you are required to caucus to get that particular person "adjusted" or back in control. I've also called a caucus to tell a joke, I thought this might throw the other side off stride. (4)

- Good except for the last phrase of "in order to keep the negotiations moving". I think this should be deleted. Sometimes a caucus is used to delay the negotiations and to put pressure on the other side: you can call for a caucus, wait an hour or two and then go back into the negotiations and say "after having considered the matter our position hasn't changed"! (3)

Discussion: This definition has a mean of 3.81 and a standard deviation of .501. The definition provided a great many responses with regard to the reasons or example of why a caucus is called. Upon review of the comments, the researcher decided to delete all "examples" of why or when a caucus is called from the definition and simply state what a caucus is.

g. Proposed Definition Based on Second Responses:

In negotiations, a break or cessation of the proceedings to allow the negotiators or negotiation teams to meet privately for multiple reasons.

h. Results from Third Questionnaire:

Strongly Agree	19 (95 %)		
Somewhat Agree	1 (5 %)	Agree	100 %
Somewhat Disagree	0 (0 %)	Disagree	0 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

i. Responses from Third Questionnaire:

The following comment was used to revise the definition:

- Change "of" to "in". (4)

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- Suggest deleting "for multiple reasons". One might read the present definition as requiring more than one reason for a caucus. I could caucus for a single reason. (3)

Discussion: This definition has a mean of 3.95 and a standard deviation of .223. The researcher agreed with one minor modification for further refinement of the definition.

j. Proposed Final Definition Based on Third Responses:

In negotiations, a break or cessation in the proceedings to allow the negotiators or negotiation teams to meet privately for multiple reasons.

Synonyms: Break, Regroup
Antonyms: Continuous Negotiations, Filibuster
Example:
- A break in negotiations to allow one side to regroup from a "bombshell" dropped by the other side. Such breaks could also be used to control a "renegade" team member. - The team called for a caucus to discuss, in private, the implications of a complicated question.

5. Compromise

a. Original Definition

A settlement of differences in which each side makes concessions or adjustments of objectives in negotiations in order to reach an agreement.

b. Results

Strongly Agree	21	(84 %)		
Somewhat Agree	4	(16 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- I think you should add that the result should still be considered mutually beneficial. (4)

- All to often the "compromise" is one sided. The fact that an agreement was reached does not necessarily mean that any differences were resolved ... only that an agreement was reached because one party had no means to make the other party change their position. Working for a small business, I find myself in such circumstances in dealing both with our commercial customers and with many of our suppliers. (3)

- Element of "resolution of differences leading to compromise"? (3)

Discussion: This definition has a mean of 3.84 and a standard deviation of .374. The researcher feels that the idea the respondents are suggesting is already incorporated into the definition and therefore did not feel any change was appropriate. The definition was not revised at this time.

d. Proposed Definition Based on First Responses:

The researcher did not change the previous definition. The definition is as follows:

A settlement of differences in which each side makes concessions or adjustments of objectives in negotiations in order to reach an agreement.

e. Results from Second Questionnaire:

Strongly Agree	18	(82 %)		
Somewhat Agree	4	(18 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- As before, both sides may not be willing to compromise on an issue needed to reach an agreement. Suggest beginning of the definition as follows: "A settlement reached where one or both sides makes...." (3)

- Required to close with a win/win situation. (3)

- You might add to end "or resolve a controversy". (3)

- I think your definition needs to go from the general to the specific. (3)

Discussion: This definition has a mean of 3.81 and a standard deviation of .394. While there were several comments on this term, the respondents all gave it a rating of Strongly

Agree (4) or Somewhat Agree (3). The researcher therefore believes the original definition was valid and did not make any changes.

g. Proposed Definition Based on Second Responses:

The researcher did not change the previous definition. The definition is as follows:

A settlement of differences in which each side makes concessions or adjustments of objectives in negotiations in order to reach an agreement.

h. Results from Third Questionnaire:

Strongly Agree	19	(95 %)		
Somewhat Agree	1	(5 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comment was used to revise the definition:

- To reiterate my past comment on this definition, I again suggest that "each side" be changed to "one or both sides." (3)

Discussion: This definition has a mean of 3.95 and a standard deviation of .223. After further consideration the researcher believes the suggestion received from the only comment stating that a compromise could be made by one side or both sides is valid. Therefore the definition is revised to reflect this fact.

j. Proposed Final Definition Based on Third Responses:

A settlement of differences in which one or both sides make(s) concessions or adjustments of objectives in negotiations in order to reach an agreement.

Synonyms: Accommodation, Accord, Trade-off, Deal
Antonyms: Stalemate, Deadlock, No Deal, Intransigence, "Stonewall", Impasse, Disagreement

Example:
- Each party to the discussion changed from their initial position to compromise on a position, which was acceptable to everyone.

6. Consideration

a. Original Definition:

A legal term used in contracts to denote the passing of some benefit to one party in exchange for a benefit to the other. It may consist of money, additional delivery time, faster deliveries, improved work or scope, or something advantageous to the recipient benefitting them contractually by its performance.

b. Results:

Strongly Agree	17 (68 %)		
Somewhat Agree	4 (16 %)	Agree	84 %
Somewhat Disagree	3 (12 %)	Disagree	16 %
Strongly Disagree	1 (4 %)		
No Comment	0 (0 %)		

c. Responses:

The following comments were used to revise the definition:

- I'm not sure what the phrase "benefitting them contractually by its performance" means or adds to the definition. Remove the phrase 'improved scope". Changing the scope of the contract is a cardinal change—a no-no and NOT a consideration. (2)

- Consideration is defined as doing something you are not legally obligated to do or forbearing from doing something you have a right to do. (2)

- Instead of additional delivery time, I would rather see something like schedule allowance or time added to schedule because consideration in the form of time can be allowed on milestones within the delivery date. Faster schedule/accelerated schedule. I think that last sentence should end with the work contractually or " to the Party's benefit." (3)

- To forbear should be considered as part of this definition at times the contractor forebears (refrains) from exercising his usual right as a result of accepting a Government Contract agreement. (3)

- A legal term used in a contract to agree to do (or not do an act) that which is not otherwise legally required, and in exchange for similar consideration, which could also denote.... (2)

- Consideration is a bargained for exchange for a provision, and may take the form of a return promise, an act other than a promise, a forbearance of a legal right, or the creation modification or destruction of a legal relation. (3)

- A term used in contracting to connote the passing of some benefit to one party in exchange for a benefit to the other, it may consist of money, additional delivery time, faster deliveries, improved work or scope. (3)

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- Consideration is a word of art in legal language. The definition should be straight out of standard first year law texts. There should be no implication that Government contracting has a unique definition of this or any other standard legal term established in statute or case law. (1)

Discussion: This definition has a mean of 3.48 and a standard deviation of .871. Although the vast majority of the respondents Strongly Agreed or Somewhat Agreed with the original definition, the researcher believes most of the written comments are valid and tried to incorporate them as much as possible into the revised definition.

d. Proposed Definition Based on First Responses:

A legal term used in contracts to agree to do (or not to do) an act which is not otherwise legally required in exchange for the passing of some benefit to one party in exchange for a benefit to the other. It may consist of money, schedule allowance, faster deliveries or something to the Party's benefit.

e. Results from Second Questionnaire:

Strongly Agree	16	(73 %)		
Somewhat Agree	2	(9 %)	Agree	82 %
Somewhat Disagree	3	(14 %)	Disagree	18 %
Strongly Disagree	1	(4 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments, although valid, were not implemented into the revised definition. See the discussion section below.

- I think the first sentence could be simpler for the reader to understand. How about simply saying that consideration is the compensation or "quid-pro-quo" given in exchange for contractual requirements. (2)

- There should be no Government-unique definition to this Cardinal legal term. (1)

- You might want to consider including some comment relative to forbearance (i.e., giving up a right)? (4)

- I would clean up the second sentence. I would also take out the word legally, just say "it is not otherwise required, or required by the contract" or included as part of the contract. Faster deliveries should be accelerated delivery schedule, faster with regard to what? I would also say something to the effect that both parties must benefit which is why there is consideration – i.e. you make this change to the aircraft and we will allow you additional schedule time, it could even be something recommended by the contractor to make an improvement to production – the consideration allowed the contractor is the reduced man-hours which will then increase the profit margin – there is an exchange. Just expand your scope on this one. (3)

- I think it is important to recognize that consideration is a bargained for exchange of benefit/detriment. Bargaining distinguishes the exchange from gifts. (2)

- This definition has got worse. You seem to have mixed the points up. There are three descriptions, which cover the concept of "consideration". They are an act, forbearance or promise. I don't understand what "not otherwise legally required" is doing in the definition. How about this: "A legal term used in formal agreements to describe an act, forbearance or promise made by one of the parties in exchange for some benefit received or given up. It may be a change in the price of some goods or services, a later delivery allowance, faster rate of delivery, (or any combination), or something else of comparable benefit." (2)

- A term used in contracting to express the exchange between or among the parties of some benefit to which all agree. The definition you use seems unnecessarily legalistic. (3)

Discussion: This definition has a mean of 3.5, a standard deviation of .912 and generated a multitude of responses. There were three respondents with Somewhat Disagree and one respondent with Strongly Disagree. However, eighty- two percent of the respondents Strongly Agreed or Somewhat Agreed with the definition. The Strongly Disagree respondent felt that this term has already been defined in the legal field, which should be good enough. The researcher disagree with that comment as the object of these thesis is

to come to a consensus on how this term is used in the Acquisition and Contracting field. Upon review of the remaining comments the researcher did not deem the requested changes necessary. The researcher believes the original definition is valid.

g. Proposed Definition Based on Second Responses:

A legal term used in contracts to agree to do (or not to do) an act which is not otherwise legally required in exchange for the passing of some benefit to one party in exchange for a benefit to the other. It may consist of money, schedule allowance, faster deliveries or something to the Parties' benefit.

h. Results from Third Questionnaire:

Strongly Agree	18	(90 %)		
Somewhat Agree	0	(0 %)	Agree	90 %
Somewhat Disagree	2	(10 %)	Disagree	10 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comments were used to revise the definition:

- I am still not satisfied with this one. The first sentence implies that consideration is the agreement. I think of consideration as the compensation or "quid-pro-quo" (payment) for original (or changes in) required contract performance. (2)

- Change "legally required" to prohibited. (4)

Discussion: This definition has a mean of 3.90 and a standard deviation of .624. While this definition received two Somewhat Disagree ratings (one did not provide comments), it had an 89% agreement rate. The researcher in attempt to reach a greater consensus agreed with the two comments received and incorporated their meanings into the final definition.

j. Proposed Final Definition Based on Third Responses:

A legal term used in contracts to compensate an act, which is no otherwise prohibited in exchange for the passing of some benefit to one party in exchange for a benefit to the other. It may consist of money, schedule allowance, faster deliveries or something to the Parties' benefit.

Synonyms: Trade, Compensation, Exchange, Recompense, Value
Antonyms: Non-Value, Illusory Promise
Example(s):
- Since consideration can be defined as something of value, a contractor could agree to provide copies of reports not required by the contract in exchange for some form of forbearance by his customer i.e., perhaps extension of a delivery date.

- The consideration for the extra effort required was $35,000, schedule extension of two months, and a waiver of claims.

7. Cost Risk

a. Original Definition:

An element to be considered when negotiating a fair and reasonable price and in determining contract type due to the possible monetary loss or gain in light of the work to be completed.

b. Results:

Strongly Agree	18	(72 %)		
Somewhat Agree	5	(20 %)	Agree	92 %
Somewhat Disagree	2	(8 %)	Disagree	8 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- Suggest the following insertion: "…. Due to THE DEGREE OF UNCERTAINTY EXPECTED AND the possible monetary loss or gain TO EITHER PARTY in light of the NATURE of the work to be completed." (3)

The following comments, although valid, were not implemented into the revised definition as the researcher believes that they did not substantially change the definitions:

- I would add price (including fee/profit). (3)

- A clearer and simpler definition would be: the likelihood of not being able to complete the work at the projected cost. Used as a consideration in both contract type determinations and profit level negotiations. (3)

- A subjective judgement of possible cost to be considered in addition to known prices when considering "Best Buy" or "Most Favorable Value" awards e.g., higher quality products extend their useful life so the next acquisition of the same product of service can be extended. (2)

- You may also want to add that it is a factor used in determining award fee spread and schedule. (4)

- Cost risk is most often seen as a result of the type of contract selected not in selecting the contract type. (3)

- Price analysis is used to determine fair/reasonable price – cost analysis. (2)

- The performance risk has possible monetary consequences. (3)

Discussion: This definition has a mean of 3.86 and a standard deviation of .351. Although this definition produced many comments, one comment in particular caught the researcher's attention and was incorporated word for word into the revised definition to include the theme of "uncertainty."

d. Proposed Definition Based on First Responses:

An element to be considered when negotiating a fair and reasonable price and in determining contract type due to the degree of uncertainty expected and the possible monetary loss or gain to either party in light of the nature of the work to be completed.

e. Results from Second Questionnaire:

Strongly Agree	19 (86 %)		
Somewhat Agree	3 (14 %)	Agree	100 %
Somewhat Disagree	0 (0 %)	Disagree	0 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definitions:

- I still think it is better to go from the general to the specific in any definition. You have omitted the general approach. Furthermore you have not included the fact that cost risk is a very important factor in managing a program once a contract type has been selected and a price negotiated (in that order). Delete "expected" and insert "estimated." You don't say what the uncertainty is in, which is confusing for the reader. (3)

The following comments were not used for the reasons stated in the discussion section below.

- It is also a type of risk that should be considered when doing best value. (3)

- An assessment of reasonably predictable monetary loss or gain for work to be done under a contract, as well as "an" element to consider to determining the type of contract to be used. (3)

Discussion: This definition has a mean of 3.86 and a standard deviation of .351. The two comments not used in the revised definition had some merit. However, the researcher believes the original definition remains valid, with only one change and a major rewording did not apply. The researcher agrees that the "degree of uncertainty" is not "expected" but "estimated."

g. Proposed Definition Based on Second Responses:

An element to be considered when negotiating a fair and reasonable price, and in determining contract type, due to the degree of uncertainty estimated and the possible monetary loss or gain to either party in light of the nature of the work to be completed.

h. Results from Third Questionnaire:

Strongly Agree	18	(95 %)		
Somewhat Agree	1	(5 %)	Agree	100%
Somewhat Disagree	0	(0 %)	Disagree	0%
Strongly Agree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- Recommend wording is amended to read "... uncertainty in estimating the cost of performance." (3)

Discussion: This definition has a mean of 3.95 and a standard deviation of .223. There is now a 100% agreement rate for this definition. The researcher believes the definition remains valid and no changes were made.

j. Proposed Final Definition Based on Third Responses:

An element to be considered when negotiating a fair and reasonable price, and in determining contract type, due to the degree of uncertainty estimated and the possible monetary loss or gain to either party in light of the nature of the work to be completed.

Synonyms: Uncertainty
Antonyms: Certainty
Example:
- The high cost risk made a fixed-price contract unreasonable.

8. First Article

a. Original Definition:

A model, unit, lot, or sample manufactured under normal production conditions either before or during the initial stages of contract production, which is used to test for conformance to contract specifications and is representative of what will be produced in the future.

b. Results:

Strongly Agree	22	(88 %)	
Somewhat Agree	3	(12 %)	Agree 100 %
Somewhat Disagree	0	(0 %)	Disagree 0 %
Strongly Disagree	0	(0 %)	
No Comment	0	(0 %)	

c. Responses:

The following comments were used to revise the definition:

- If the FAT happens "during" initial contract production how can it truly be FIRST? This isn't clear. The word "during" has me confused. (3)

- Insert the word "usually" in place of the word "either" and delete the word "during." (3)

The following comment was not implemented into the revised definition. The researcher is unclear as to what this respondent is requesting.

- "Start" instead of states on the 2nd line? (3)

Discussion: This definition has a mean of 3.88 and a standard deviation of .313. Even though this definition received a 100% agreement rate, the researcher agrees that the "First Article" is normally produced before the initial stages of production and incorporated this concept into the revised definition.

d. Proposed Definition Based on First Responses:

A model, unit, lot, or sample manufactured under normal production conditions usually before the initial stages of contract production, which is used to test for conformance to contract specifications and is representative of what will be produced in the future.

e. Results from Second Questionnaire:

Strongly Agree	19	(86 %)		
Somewhat Agree	2	(9 %)	Agree	95 %
Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments, although valid, were not implemented into the revised definition for the reasons in the discussion section below.

- This is a "contractor owned" item. (3)

- This would be the unit determined in Low Rate Initial Production (LRIP), which completes the operations evaluation (opeval). This will set the standard for full-scale production. (3)

- "Conformance to contract specifications" is too obscure a reference and does not necessarily encompass my suggested wording of "used to evaluate the efficiency of the production facilities, processes, methods, materials, tooling and test equipment." You may be concentrating too much on why a contracting officer of a buyer may require a First Article. But the manufacturer also uses the first article to prove the production process. (2)

Discussion: This definition has a mean of 3.81 and a standard deviation of .501. While the above comments are valid, the researcher believes the definition is sound as determined by an agreement rate of 95%. Upon review or the second definition, the researcher determined that the "first article" is not representative of what will be produced in the future but what will be produced under this contract. This thought is incorporated into the revised definition.

g. Proposed Definition Based on Second Responses:

A model, unit, lot or sample manufactured under normal production conditions usually before the initial stages of contract production, which is used to test conformance to contract specifications and is representative of what will be produced under that contract.

h. Results from Third Questionnaire:

Strongly Agree	18 (95 %)		
Somewhat Agree	1 (5 %)	Agree	100 %
Somewhat Disagree	0 (0 %)	Disagree	0 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

i. Responses from Third Questionnaire:

None

Discussion: This definition has a mean of 3.95 and a standard deviation of .223. The agreement rate was 100%. The researcher believes this definition remains valid and no changes are made.

j. Proposed Final Definition Based on Third Responses:

A model, unit, lot or sample manufactured under normal production conditions usually before the initial stages of contract production, which is used to test conformance to contract specifications and is representative of what will be produced under that contract.

Synonyms: First Piece, Proof Part
Antonyms: Prototype, Bread Board Model, Engineering Shop Model, and Brass Board Model
Example: None

9. Liquidated Damages

a. Original Definition:

Provisions that stipulate in advance the procedures that are to be used in determining costs and damages if there is a breach of contract. The provision provides for the assessment of damages on the contractor for his/her failure to comply with delivery or performance requirements when the extent or amount of such damages would be difficult or impossible to determine.

b. Results:

Strongly Agree	14	(56 %)		
Somewhat Agree	9	(36 %)	Agree	92 %
Somewhat Disagree	2	(8 %)	Disagree	8 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- I would word this as "An advanced provision that provides for the assessment of damages against the contractor for his/her failure to comply with delivery or performance requirements". (3)

- "The provision provides for" is an awkward phrase. Please re-word to be clearer. Change his/her to its. A contractor is an organization made up of people, not a person. (3)

- Your definition is of "LIQUIDATED DAMAGES CLAUSE." "DAMAGES" are money or other considerations, lost as a result of the actions of another party. Liquidated Damages are a predetermined estimate based on SWAG or experience the value of damages likely to be experienced by the damaged party. Liquidated Damages are usually determined unilaterally by the buyer and calculated as a performance contingency in the seller's price. (3)

- I would remove the gender and just state "on the contractor for failure". (4)

- The stipulation of an amount certain for the assessment of reasonable damages on the contractor for his/her failure to comply with delivery or performance requirements when the extent or amount of such damages would be difficult or impossible to determine at the time of contract formation. (2)

- Suggest adding the word "precisely" after "determine" in the last sentence. The damages are supposed to be assessed to approximate the actual harm to the government suffered. (3)

- Provisions that stipulate in advance the procedures that are to be used in determining costs and damages if there is a delay in contract deliveries. There are additional forms of breach with recourse other than liquidated damages. (2)

- What if the element of "liquidated damages must be reasonable.... Not punitive?" (3)

The following comments, although valid, were not implemented into the revised definition as this researcher believes they did not substantially change the definition.

- I would delete everything after performance requirements, since the reason for the clause is to have a way of obtaining a dollar figure quickly, with some substantiation. (3)

- Change "provision" to read "clause." (3)

The researcher noted the following comments by the respondents.

- The liquidated damages are an estimate of anticipated actual damages, and may not be a penalty. (3)

- I have always been led to believe that Liquidated Damages had to have their basis in fact. For example when the Air Force includes a Liquidated Damages provision in construction contracts the amount of Liquidated Damages is equal to the daily cost the government for using (renting) a facility to accomplish what we anticipated using the construction site for. In addition we add the daily cost for the construction inspector, engineer and contract administrator and contracting officer. I do not believe that Liquidated Damages are allowed to a be an arbitrary penalty against the contractor and

they must be determined upon the "hurt" the government is receiving for late delivery or non-performance. (3)

Discussion: This definition has a mean of 3.48 and a standard deviation of .653. The researcher believes the respondents had some valid suggestions and therefore attempted to implement these ideas into a revised definition. The researcher believes that the concept of the original definition is solid, but difficult to understand. The researcher incorporated a few of the respondents suggestions and re-worded the definition for further clarification.

d. Proposed Definition Based on First Responses:

An advanced provision, that stipulates the procedures to be used in determining the assessment of reasonable damages on the contractor, for failure to comply with delivery or performance requirements, when the extent or amount of such damages would be difficult or impossible to precisely determine at the time of contract formation.

e. Results from Second Questionnaire:

Strongly Agree	17	(77 %)		
Somewhat Agree	4	(18 %)	Agree	95 %
Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- "A contract provision or clause which…" instead of "An advanced provision, that…" (4)

- A non-trivial typo needs to be corrected. This is not an "advanced" provision (i.e. innovative or revolutionary). It is an "advance" provision (i.e. prospectively negotiated). (3)

- After "damages" say "to be paid by the contractor" instead of just saying damages "on the contractor." (3)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- Go to the discussion in the FAR regarding construction contracting or call Captain Hamm at NAVFACHQ because there is something more specific about making sure that liquidated damages actually reflect the cost to the government of delay, it is not to be used as punishment (although that seems to be the case in the private sector). I think that you should look into this more, NAVFAC has been in court over setting a damage amount too high. (3)

- You seem to be describing the liquidated damages "clause" rather than the nature of Liquidated Damages itself. Again, I prefer to state the general principle and then go into the specific. (2)

The following alternate definition was not used for the reason stated in the discussion section below:

- An express contractual provision that stipulates the assessment of reasonable damages on the contractor, for failure to comply with delivery or performance requirements. Used when the extent or amount of such damages would be difficult or impossible to precisely determine at the time of contract formation. (3)

Discussion: This definition has a mean of 3.72 and a standard deviation of .550. The researcher believes the original definition remains valid with only minor modifications needed. The researcher agrees that "an advanced provision" is not correct and feels that "A contract provision or clause" is a stronger beginning for this definition. The researcher also feels that the phrase "on the contractor" is confusing and replaced it with the phrase "to be paid by the contractor" for clarification.

g. Proposed Definition Based on Second Responses:

A contract provision or clause that stipulates the procedures to be used in determining the assessment of reasonable damages to be paid by the contractor, for failure to comply with delivery or performance requirements. Used when the extent or amount of such damages would be difficult or impossible to precisely determine at the time of contract formation.

h. Results from Third Questionnaire:

Strongly Agree	19 (95 %)		
Somewhat Agree	0 (0 %)	Agree	95 %
Somewhat Disagree	1 (5 %)	Disagree	5 %

Strongly Disagree	0	(0 %)
No Comment	0	(0 %)

i. Responses from Third Questionnaire:

None

Discussion: This definition has a mean of 3.90 and a standard deviation of .447. Although there is one respondent with a Somewhat Disagree rating, there is now a 95% agreement rating with seventeen out of eighteen respondents strongly agreeing. The researcher therefore believes this definition remains valid and no changes are made.

j. Proposed Final Definition Based on Third Responses:

A contract provision or clause that stipulates the procedures to be used in determining the assessment of reasonable damages to be paid by the contractor, for failure to comply with delivery or performance requirements. Used when the extent or amount of such damages would be difficult or impossible to precisely determine at the time of contract formation.

Synonyms: Limitation of Damages
Antonyms: None
Example:
- The liquidated damages for failure to finish on time were set at $100,000 per week.

10. Partnering

a. Original Definition:

A concept whereby Government and industry develop a long-term commitment for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

b. Results:

Strongly Agree	12	(48 %)		
Somewhat Agree	6	(24 %)	Agree	72 %
Somewhat Disagree	1	(4 %)	Disagree	16 %
Strongly Disagree	3	(12 %)	No Comment	12 %
No Comment	3	(12 %)		

c. Responses:

The following comments were used to revise the definition:

- The use of "long term" is somewhat ambiguous. I do not believe it is necessary. (3)

- Your definition is true for partnering in the commercial world. In truth, maximizing the effectiveness of each participant's resources has little to do with Partnering in Government contracts. At least I have seen little evidence of it and when I have seen it, congress has done everything possible to destroy it. I believe it has more to do with a realization on the part of the Government that on major programs, once a decision is made initially to purchase from a selected source, too much will be invested to make any decision to compete for continued or related services or products logical because of unique start up costs or legal road blocks (patents) controlled by the seller and for industry, partnering is a dependence on the Government's commitment to a long term relationship that will encourage it to incur extensive proposal costs in hopes that the long relationship will ensure certain profitability for an extended period. Partnering implies that two parties work together toward one principle goal. In the commercial world, that principle goal is profit. It should be explained the Partnering with the Government, unlike Partnering in the commercial world, does not set aside the arm length relationship because the Government Buyer can never share the Seller's goal of maximizing profit for the business' owners and, even though that business does adopt the ideals of the Government's mission goals, it cannot truly share the ideals of minimum cost to the Government's budget (taxpayer). (1)

- Your definition covers the concept of partnering between industry and Government. Do you think that you should address the issue of two or more industry members partnering? (3)

- I don't immediately think of a Government and Industry relationship when I hear this term.. I think of an Industry relationship that indicates a teaming arrangement or joint venture to perform a contract. (3)

- This is not a term I'm familiar with where the "Government" is a player. Long term for the Government is, at best, limited to single contract duration; the Government is not able to guarantee anything beyond the scope of the contract in hand. (2)

- Suggest adding the words "and working relationship" after the word "commitment." The relationship established should be the foundation for successful partnering. (3)

- Partnering may also occur between companies and other entities. (3)

The following comments, although valid, were not implemented into the revised definition as explained in the discussion section below.

- As I have used this term in construction contracts, the period of partnering is only for the term of the contract, which could be 4 or 5 years. The purpose is to agree up-front to

have open communications, to settle disputes early at the lowest level, etc. This is done in a formal charter, which is signed by all major players. (1)

- This term has so many meanings, yes your definition is one of them, but it is much broader than that. (No score)

- I think this is a current buzzword. Mostly heard in the Army.. I wonder if the word isn't used much more broadly by much of the English speaking world involved in contracting. I am not sure that this restrictive definition of partnering should be in the list. Perhaps you will add a second, more generic definition? (4)

- Add at the end "another ADR method." (3)

- A concept whereby Government and industry develop a working relationship for the purpose of achieving a healthy long-term relationship through maximizing the effectiveness of each participant's resources. (No score)

Discussion: This definition has a mean of 3.22 and a standard deviation of 1.065. The original definition generated many comments and had a 16% disagreement rate, which is the highest of any term as of yet. The researcher feels that there are two general areas to be revised. The researcher agreed that by including "Government" and "long-term" commitment that the term became too narrow thus these changes were utilized in the revision of the definition.

d. Proposed Definition Based on First Responses:

A concept whereby two or more organizations develop a commitment and working relationship for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

e. Results from Second Questionnaire:

Strongly Agree	18	(82 %)		
Somewhat Agree	0	(0 %)	Agree	82 %
Somewhat Disagree	3	(14 %)	Disagree	14 %
Strongly Disagree	0	(0 %)	No Comment	4 %
No Comment	1	(4 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- Currently the concept of partnering is a relationship between a buyer and a seller, there for the joint venture synonym can not apply. (2)

- I don't understand why you have used the expression "concept", it isn't. It is a method of working together, a managerial approach. Also, Partnering occurs after a commitment has been developed. The parties commit to a partnering approach to an activity. (2)

The following comments, although valid, were not implemented into the revised definition for reasons stated in the discussion section below.

- I don't recommend the use of this term at all, as it is imprecise, although commonly used. From a legal perspective, a partnership impacts the liability of the partners (general or limited), and has related tax consequences. Also, I dislike creating new words by adding "ing", no matter how trendy that may be. (2)

- I would include "expertise" within the resources category. (4)

Discussion: This definition has a mean of 3.85 and a standard deviation of .358. The researcher believes the original definition is valid and concentrated on integrating two of the three "Somewhat Disagree" comments into the revised definition. The researcher modified the phrase "A concept" to read "A method" at the beginning of the definition and changed the synonym list as recommended. The researcher feels the third Somewhat Disagree comment was not relevant. The respondents were asked to comment on the given term, not recommend what terms should or should not be used in the Acquisition and Contracting field.

g. Proposed Definition Based on Second Responses:

A method whereby two or more organizations develop a commitment and working relationship for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

h. Results from Third Questionnaire:

Strongly Agree	19 (95 %)		
Somewhat Agree	1 (5 %)	Agree	100 %
Somewhat Disagree	0 (0 %)	Disagree	0 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

i. Responses from Third Questionnaire:

None

Discussion: This definition has a mean of 3.95 and a standard deviation of .223. With a 100% agreement rating, the researcher believes this definition remains valid and no changes are made.

j. Proposed Final Definition Based on Third Responses:

A method whereby two or more organizations develop a commitment and working relationship for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

Synonyms: Teaming, Cooperative Relationship
Antonyms: Adversarial Relationship, Arms Length Relationship
Example(s): None

11. Past Performance

a. Original Definition:

An indicator of an offeror's ability to perform a contract. It is used to evaluate contract performance and as a factor in source selection for new contracts.

b. Results:

Strongly Agree	11	(44 %)		
Somewhat Agree	9	(36 %)	Agree	80 %
Somewhat Disagree	4	(16 %)	Disagree	16 %
Strongly Disagree	0	(0 %)	No Comment	4 %
No Comment	1	(4 %)		

c. Responses:

The following comments were used to revise the definition:

- I would word this as "a history of an offeror's performance on other contracts. It is used as an indicator of potential contract performance and as a factor in source selection for new contracts." (3)

- This is a history of the offeror's ability to perform contracts. It is used as an indicator of performance on your contract and as such is an evaluation factor in source selection for new contracts. (3)

- Past performance does not always indicate an offeror's ability to perform a contract. A history of poor past performance can be an indicator, but one bad apple doesn't. Past performance includes the following factors: quality of product or service; timeliness of performance; cost control; business practices; customer satisfaction; and key personnel past performance. An accurate past performance assessment evaluates the same company's division that will be performing the work on the contract under consideration for same/similar supplies/services. (2)

- Past performance is an indicator of the risk of a contractor performing as proposed based on their historical performance. It is retrospective, predicting the future performance based on previous performance of relevant work. (2)

-...Based on the offeror's past performance on contracts. (3)

- I see this more as the "actual data from a completed past contract effort" that would indicate the likelihood of "the ability to perform the proposed contract effort." (3)

- An offerors record of adhering to contract requirements on prior contracts. Includes success or failure comments on meeting requirements for on-time delivery, product or service quality, and subjective record or satisfying the customer. A major assumption is that the past performance record is predictive of future performance and therefore should be a factor in selecting contractors. (2)

- Insert the word "potential' between offeror's and the word ability and insert the word "potential" between the word evaluate and contract. (3)

- Suggest revising the last sentence as follows: "It is used to evaluate PRIOR contract performance and as a factor TO ASSESS FUTURE PERFORMANCE RISK in source selection for new contracts." (3)

- Insert "or likelihood" after "ability" in first sentence. Insert "history" after "performance" and change "as" to "is" in second sentence. (2)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- Suggest you add, "Under best value procurements, it may be given significant weight in the final selection decision." (3)

- Do you need to add language to the effect that the importance of past performance as a factor in source selection depends upon the weight it is given in the evaluation process? (4)

- I would say that this is an indicator of the contractor's ability to perform on contracts similar in effort. You may also want to state that past performance may be broken down into sections (ex: past performance on project management issues, evaluated by task response in a source selection scenario or past performance or cost monitoring). (3)

- Could be more comprehensive in definition. (3)

Discussion: This definition has a mean of 3.29 and a standard deviation of .750. The researcher believes this term generated many valid comments. Even though the definition received an 80% agreement rate, the researcher feels the definition required several modifications. The researcher attempted to incorporate the suggestion that Past Performance is a subjective look at the contractors past performance on contracts and may indicate how the contractor will perform on future contracts. The researcher included the phrases "history of the offeror's ability" in the first sentence and "indicator of potential contract performance" in the second sentence to incorporate these concepts into the revised definition.

d. Proposed Definition Based on First Responses:

A history of an offeror's ability to perform a contract. It is used as an indicator of potential contract performance and as such is a factor in source selection for new contracts.

e. Results from Second Questionnaire:

Strongly Agree	16	(73 %)		
Somewhat Agree	5	(23 %)	Agree	96 %
Somewhat Disagree	1	(4 %)	Disagree	4 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- History of an offeror's performance under a contract – not ability to perform. (3)

- It is not as much a history of "ability" as it is a "historical record" of how the contractor performed on past contracts. A contractor might have had the ability, but had a dismal performance record in spite of the overall corporate ability. (2)

- I believe that you should state that it is a history of a contractor's performance on previous contracts. We experienced a major loss last year due to the fact that past performance comprised 50% of the award criteria – the program was JASSM. We were downgraded because of out performance on the AMRAAM contract and also on one of our Tomahawk contracts. The AMRAMM contract reference was particularly painful inasmuch as the JSPO representative even commented that we were too lenient in how we handled changes - - i.e., we didn't pursue the relief to which we were entitled under the changes clause in many cases. (3)

- A history of an offeror's performance on other contracts. It is used to prognosticate whether the offeror will perform satisfactorily, and as such is a factor in source selection for new contracts. (3)

- I recommend adding after "potential" the word "future." I don't understand "IFB" as an antonym. (3)

The following comments, although valid, were not implemented in the revised definition as this researcher believes they did not substantially change the original definition.

- Historical information or data that reflects an offeror's... End the second sentence after source selection. (4)

- Suggest a change to the first sentence from "to perform a contract". To "to perform to previously contracted requirements." Also, I suggest that the beginning of the second sentence be revised from "It is used..." to "This data, which is intended to highlight the offeror's strengths and weaknesses, is used...." (4)

Discussion: This definition has a mean of 3.85 and a standard deviation of .358. The researcher believes the revised definition is an improvement from the initial definition as this iteration received a 96% agreement rate versus an 80% agreement rate in the first iteration. However, after reviewing the comments, the researcher feels that the definition still required moderate revision to further initiate consensus. The researcher worked to stress the concept that "past performance" is actually an evaluation of a contractor's actions on prior contracts that will be used in determining their performance on future contracts. The researcher also worked on the concept that "past performance" can be used to determine responsibility or be used as a source selection factor.

g. Proposed Definition Based on Second Responses:

An evaluation of an offeror's contractual performance to be used an as indicator of future contract performance. It can be used either as a responsibility determination factor or a source selection factor, or both.

h. Results from Third Questionnaire:

Strongly Agree	19	(95 %)		
Somewhat Agree	0	(0 %)	Agree	95 %
Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comment was not implemented into the revised definition. See the discussion section below:

- Change the second sentence to. "It can be used as a factor in source selection." Be careful here, Tim. Past Performance as a source selection factor is NOT the same as with determining contractor responsibility. They're two different things. (2)

Discussion: This definition has a mean of 3.90 and a standard deviation of .447. The researcher agrees with the comment that source selection and contractor responsibilities are two different things. This definition does not state that they are the same. It simply points out that either can be used. The researcher believes this definition remains valid, even though the agreement rate dropped to 95% this iteration has nineteen respondents in the Strongly Agree category which brought several respondents up from the Somewhat Agree category of the last iteration.

j. Proposed Final Definition Based on Third Responses:

An evaluation of an offeror's contractual performance to be used as indicator of future contract performance. It can be used either as a responsibility determination factor or a source selection factor, or both.

Synonyms: Contractor Performance Assessment Report (CPAR), Track Record, Vendor Rating System
Antonyms: Future Performance
Example:
- The past performance record of no late deliveries, high customer satisfaction reports, and no failures were significant factors in the decision to award the follow-on contract to the prior contractor.

12. Solicitation

a. Original Definition:

The practice of notifying prospective offerors that a buyer wishes to receive bids, quotes, or proposals on a set of requirements to provide supplies, service, or construction.

b. Results:

Strongly Agree	20	(80 %)		
Somewhat Agree	4	(16 %)	Agree	96 %
Somewhat Disagree	1	(4 %)	Disagree	4 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- I would word this as "...provide supplies or services." (4)

- I would say "...to provide supplies and services." Construction is a service. (3)

- Solicitation is a noun, not a verb so it can't be a practice. A solicitation is the method by which the govt notifies prospective offerors/bidders that it wishes to receive... (3)

- You have defined "Advertise" or CBD announcement." I view "Solicitation" as a noun. It is the package that specifies the Buyer's expectations of all of the terms and performance standards for a prospective contract except those elements that potential suppliers must compete on or negotiate to arrive at an agreement. (3)

- "Service" should read "services." (4)

The following alternate definition was not implemented into the revised definition as this researcher believes that a major rewording is not necessary.

- The document used to solicit responses from prospective offerors. Usually by a buyer who wishes to receive offers or quotes concerning a set of requirements. (2)

Discussion: This definition has a mean of 3.76 and a standard deviation of .522. This term generated many valid comments. The researcher believed by obtaining an agreement rate of 96% the definition is solid but feels that there are three minor changes to be made. First, change "the practice" to " a method", solicitation is a method which a buyer uses to notify prospective offerors. Second, delete construction from the definition as the researcher agrees that construction is a service. The final change is to correct the typographical error by changing service to services.

d. Proposed Definition Based on First Responses:

A method of notifying prospective offerors that a buyer wishes to receive bids, quotes, or proposals on a set of requirements to provide supplies or services.

e. Results from Second Questionnaire:

Strongly Agree	20	(90 %)		
Somewhat Agree	1	(5 %)	Agree	95 %
Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments were not implemented to revise the definition based on the reasons in the discussion section below.

- The notice to potential suppliers of what a buyer desires to buy. It commonly includes all the terms of the desired contract so that the seller simply has to provide the price and any peculiar technical performance information. A problem here is that solicitation is used as a noun to describe the document called the "solicitation" (as I just did), and it is used as a verb to describe the process of solicitation of offers. You need to clarify both usages. (3)

- Solicitation is a noun not a verb, surely? As a noun it is a request for an offer. (2)

Discussion: This definition has a mean of 3.86 and a standard deviation of .467. The researcher does not agree with the comments in regards to noun and verb. The definition as stated describes a method, which is a noun. The researcher feels that an agreement rate of 95%, although down one percent from the first survey, indicates the definition is solid and requires no revision.

g. Proposed Definition Based on Second Responses:

The researcher did not change the previous definition. The definition is as follows:

A method of notifying prospective offerors that a buyer wishes to receive bids, quotes or proposals on a set of requirements to provide supplies or services.

h. Results from the Third Questionnaire:

Strongly Agree	19	(95 %)		
Somewhat Agree	0	(0 %)	Agree	95 %
Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- You should put in the definition of solicitation as a Noun: (Document requesting offers to do work) and as a Verb: (Act of requesting offers to do work). Simple is better. (2)

Discussion: This definition has a mean of 3.90 and a standard deviation of .447. While one respondent maintains a Somewhat Disagree rating, the agreement rate remained the same at 95%. The researcher believes the definition remains valid and no changes are made.

j. Proposed Final Definition Based on Third Responses:

A method of notifying prospective offerors that a buyer wishes to receive bids, quotes or proposals on a set of requirements to provide supplies or services.

Synonyms: RFP, IFB, RFQ, Broad Agency Announcements, Notices, and Invitation to Tender
Antonyms: Market Survey Inquiry
Example:
- Their solicitation (action Verb) for offerors to provide bids was a standard, computer-produced solicitation (Noun) document.

13. Unsolicited Proposal

a. Original Definition:

A written proposal submitted to a potential buyer on the submitter's initiative, not in response to a formal solicitation, for the purpose of obtaining a contract with the buyer.

b. Results:

Strongly Agree	18	(72 %)		
Somewhat Agree	7	(28 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- I would word this as "A written proposal submitted to a potential buyer, not in response to a formal solicitation, for the purpose of obtaining funding from the buyer." (3)

- The vehicle for funding may not be a contract, but a cooperative agreement, a grant or some other agreement, depending on the unsolicited proposal. The submitter wants funding in some form. (3)

- Change "submitter" to offeror. Add a discussion on the special protections that must be taken w/ proprietary data in an unsolicited proposal. (3)

The following comments, although valid, were not implemented into the revised definition as this researcher believes they did not substantially change the definition:

- Suggest you add, "sole source" contract with the buyer. (3)

-Your definition could equally describe a "Value Engineering Proposal." Also, I believe an Unsolicited Proposal must identify a requirement or a solution to a requirement, which the Government has not yet identified by its own resources. If a proposal is received for a known existing requirement that has not been funded or has otherwise been considered but not acted on, the offer will not be accepted for consideration as a "Unsolicited Proposal." (3)

- Not always on the submitters initiative. Sometimes on the customer's initiative on ID/IQ contracts and with the concurrence of the Government. (3)

- Suggest adding the following sentence: "Generally the purpose of an unsolicited proposal is for the offeror to propose unique or innovative supplies or services." (3)

Discussion: This definition has a mean of 3.72 and a standard deviation of .458. The researcher feels while many of the respondents comments were valid only minor modifications to the original definition need to be implemented since the definition received a 100% agreement rate. The researcher concentrated his efforts in the area that an unsolicited proposal does not have to be on the submitter's initiative and the purpose is to obtain funding from the buyer.

d. Proposed Definition Based on First Responses:

A written proposal submitted to a potential buyer, not in response to a formal solicitation, for the purpose of obtaining funding from the buyer.

e. Results from Second Questionnaire:

Strongly Agree	16	(73 %)		
Somewhat Agree	5	(23 %)	Agree	96 %
Somewhat Disagree	0	(0 %)	Disagree	4 %
Strongly Disagree	1	(4 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- Unsolicited proposal on acceptance results in sole source contract not funding. Funding is one factor not the vehicle to execute the proposed effort determined working by the Government for procurement. (1)

- Revise "funding" to read "contract." (4)

- I think I preferred your original definition. Why refer to "funding" instead of a "contract"? Surely you only get funding as a result of a contract. Furthermore, the objective is not to get funding per se but to supply goods and services, for which you will receive payment and thus a contract. (3)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- For the purpose of obtaining a business agreement that would provide funding or other support from the buyer. (3)

- And to further educate the buyer of technical abilities a company may possess. (3)

- Must include that proposal can not be for a known requirement! (3)

- A written proposal submitted to a potential buyer, not in response to a formal or informal solicitation, for the purpose of obtaining a contract from the buyer. (3)

The following alternate definition was not implemented into the revised definition.

- DeskTop Guide definition: "A research or development proposal that is made by a prospective contractor without prior formal or informal solicitation from a purchasing agency." (4)

Discussion: This definition has a mean of 3.8 and a standard deviation of .766. Upon review of the comments, the researcher agreed that the purpose of an unsolicited proposal is to obtain a "contract" from the buyer instead of "funding." If an offeror is awarded a contract, funding will be received for services rendered. Thus, the researcher made one change in the revised definition.

g. Proposed Definition Based on Second Responses:

A written proposal submitted to a potential buyer, not in response to a formal solicitation, for the purpose of obtaining a contract from the buyer.

h. Responses from Third Questionnaire:

Strongly Agree	19	(95 %)		
Somewhat Agree	1	(5 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- Add "or informal" after formal. (4)

The following comments were not implemented into the revised definition. See the discussion section below:

- A funding agreement, not necessarily a contract. Could be a Cooperative Agreement. (3)

Discussion: This definition has a mean of 3.95 and a standard deviation of .223. One respondent states that funding should be a part of this definition. The researcher disagrees however due to the number of comments generated from survey 2 when the word "funding" replaced the word "contract." The general consensus is that the purpose is to receive a contract, not funding from the buyer, therefore the researcher believes this definition remains valid and made no further revisions.

j. Proposed Final Definition Based on Third Responses:

A written proposal submitted to a potential buyer, not in response to a formal solicitation, for the purpose of obtaining a contract from the buyer.

Synonyms: Unsolicited Offer, Innovative Proposal
Antonyms: RFP, Solicited Proposal
Example(s): None

C. SUMMARY

This chapter has presented the results and analysis of the group of 13 terms from Survey A. These terms are arbitration, best value, buy-out, caucus, compromise, consideration, cost risk, first article, liquidated damages, partnering, past performance, solicitation, and unsolicited proposal. Definitions, synonyms, antonyms, and examples were revised based on the feedback received from an initial group of 50 NCMA Board of Advisors, Functional Directors, and/or Chapter Presidents. The initial questionnaire,

contained in Appendix C, solicited comments that led to revised definitions which were used to create the second questionnaire, contained in Appendix D. Based on these comments, the definitions were further revised as warranted and questionnaire number three, contained in Appendix E, was sent to those respondents who participated through the first two rounds. Ultimately a final proposed definition, Appendix I, was produced and will be recommended to be included in the dictionary of contracting and acquisition terms. Quantitative analysis indicates an increase in consensus for these terms as the result of this research effort. The consensus rates were calculated by dividing the total number of respondents into the number of respondents agreeing with the definition. All respondents that selected a rating category of (3) or (4) were considered in agreement with the definition.

III. ANALYSIS OF RESPONSES – SURVEY B

A. INTRODUCTION

This chapter is the second of two chapters that deal with the result of the questionnaires. The terms in this chapter represent the 12 terms from Survey B sent to 50 NCMA Board of Advisors, Functional Directors and/or Chapter Presidents. The 12 terms contained in this chapter include attrition rate, cost growth, deadlock, electronic data interchange (EDI), factfinding, learning curve, not-to-exceed (NTE), outsourcing, profit, proposal, sound business practice, and weighted guidelines. The researcher analyzed the responses for each term in order to refine the definition, either by improving the content or improving the reader's ability to understand the definition.

The format remains unchanged from the previous chapter. In the next section entitled "Term Analysis", each term will be presented in the following manner: subsection "a" is the original definition of the term; subsection "b" provides the quantitative results of the initial questionnaire (n= 24); subsection "c" identifies respondents' comments with their numerical rating in parenthesis; subsection "d" proposes a revised definition based on the responses and the researcher's analysis; subsection "e" is the quantitative results from the second questionnaire (n= 22); subsection "f" contains representative responses from the second questionnaire; subsection "g" is the proposed definition based on the second responses; subsection "h" is the quantitative results from the third questionnaire (n=18); subsection "i" is the representative responses from the third questionnaire; subsection "j" is the proposed definition based on the third and final responses.

Due to the small sample size, the underlying distribution for each term is not normal and greatly skewed to the right. It is assumed that if the researcher were to acquire a larger sample size, the standard deviation would become smaller, and the mean and standard deviation would approximate a normal distribution.

B. TERM ANALYSIS

1. Attrition Rate

a. Original Definition:

The loss of a resource due to natural causes in the normal course of events such as spoilage and obsolescence of materials.

b. Results:

Strongly Agree	8	(33.33 %)		
Somewhat Agree	12	(50 %)	Agree	83.33 %
Somewhat Disagree	2	(8.33 %)	Disagree	16.66 %
Strongly Disagree	2	(8.33 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- Attrition also has to do with the loss of aircraft, weapons, personnel, etc. Due to enemy fire power, mechanical failure, disease, etc. (1)

- Suggest deleting the phrase "due to natural causes." Its deletion does not detract from the meaning of the definition, and it makes it sound less biological. (3)

- Primarily natural causes, but could include other that natural causes such as theft, accidents, etc. (3)

- Add the word "gradual" in front of loss - " A gradual loss of a..." (3)

- Does it have to be natural causes? (3)

- My only comment is that when I think of "attrition" it is usually I the context of "a war of attrition." Therefore, I am not sure that the loss of resources is always in the "normal course of events." (3)

- Normal course of what events? Manufacturing? (3)

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- I think you should remove the word "Rate." (3)

The following alternative definitions were not used for the reasons stated in the discussion section below:

- This is the definition of attrition. The rate is a measure of the amount of loss over time. I've only heard this term used with respect to personnel losses. (3)

- The rate at which resources are reduced due to natural causes in the normal course of events such as a reduction in force by retirement, voluntary termination, death. (2)

- This may be silly, but the definition above is for "attrition", the attrition rate would be how quickly items are lost due to attrition. What are normal events? I think of attrition in a more military vein. What you are talking about is more like wear and tear and normal usage. (3)

- Attrition rate is also applied to reduction in personnel when positions are no longer needed, or when persons retire or leave voluntarily and are not replaced. (3)

- The speed with which a resource (including people) declines in magnitude or quantity. (1)

- I don't necessarily agree with the generic term "resource" when I think of attrition. It has more of a meaning related to personnel specifically; the loss of personnel thru the normal course of events such as death or retirement. (3)

- I believe that the definition is a bit narrow and ignores the most common context that I hear the word used – people and retirement. (3)

- In our field the term is most often associated with the loss of human resources due to unnatural causes such as voluntary/involuntary terminations or business reductions. (2)

Discussion: This definition has a mean of 3.08 and a standard deviation of .880. There were many comments generated by this definition with respect to personnel loss. The purpose of this term was to define Attrition Rate related to materials. The initial

confusion with this term is due to the lack of incorporation of this fact into the questionnaire. This was relayed to the respondents in the second survey. Even though there was quite a bit of confusion this definition received an 83% agreement rate. Due to many comments about "natural causes", the researcher agreed with the respondents and did not include this phrase in the revised definition. The researcher also agreed that the phrase "gradual decline" should be inserted into the definition in place of "loss" to portray the rate of loss. The researcher also disagrees with the respondent that stated "I think you should remove "rate" from the term to be defined." The objective of this research is to come to a consensus on the terms given, not to change the term to make it easier.

d. Proposed Definition Based on First Responses:

The gradual decline of resources due to such events as spoilage, obsolescence, mechanical failure or theft.

e. Results from Second Questionnaire:

Strongly Agree	17	(77 %)		
Somewhat Agree	1	(5 %)	Agree	82 %
Somewhat Disagree	3	(14 %)	Disagree	14 %
Strongly Disagree	0	(0 %)	No Comment	4 %
No Comment	1	(4 %)		

f. Responses from Second Questionnaire:

The following comments were not used to revise the definition. See the discussion section below.

- A natural reduction of personnel through death, retirement, termination of employment. (2)

- Delete gradual/ insert: rate/ reason: materials do not decline gradually. Later of decline can very greatly. (2)

- I believe what is shown above is a satisfactory definition of "attrition", although one might argue that the decline may or may not be gradual. However, any definition of "attrition rate" should have the word "rate" in the definition. Simply changing "gradual" to "rate" would probably fix the inaccuracy. Or you could say, "the rate of decline (usually gradual) of resources...." (2)

- Is obsolescence really "normal"? (3)

Discussion: This definition has a mean of 3.66 and a standard deviation of .730. The comments received in this survey suggest some respondents are still not aware the definition is in relation to materials not personnel. The researcher does not agree that materials do not decline gradually. The researcher does not believe it is plausible to insert the word rate into the definition, as rate is part of the word that is being defined. The researcher believes the term remains valid and no changes were made to the definition.

g. Proposed Definition Based on Second Responses:

The researcher did not change the previous definition. The definition is as follows:

The gradual decline of resources due to such events as spoilage, obsolescence, mechanical failure or theft.

h. Results from Third Questionnaire:

Strongly Agree	16 (89 %)		
Somewhat Agree	0 (0 %)	Agree	89 %
Somewhat Disagree	1 (5.5 %)	Disagree	5.5 %
Strongly Disagree	0 (0 %)	No Comment	5.5 %
No Comment	1 (5.5 %)		

i. Responses from Third Questionnaire:

The following comment was not implemented into the revised definition. See the discussion section below:

- The attrition rate is the reduction in human resources due to voluntary separation, retirement, and death. As individuals leave they are not replaced so that the number of employees overall decreases. (2)

- I am not familiar with this term so have no comments. (No score)

Discussion: This definition has a mean of 3.88 and a standard deviation of .484. The comment received addressed the issue of human resources once again. The researcher is attempting to define the term in relation to materials not human resources, therefore the researcher does not believe this suggestion is appropriate. The researcher believes the definition remains valid due to an agreement rate of 89% so no changes are implemented.

j. Proposed Final Definition Based on Third Responses:

The gradual decline of resources due to such events as spoilage, obsolescence, mechanical failure or theft.

Synonyms: Reduction Rate, Fall-out, Depreciation, Scrappage Rate, and Falloff
Antonyms: Expansion Rate, Growth Rate
Example(s): None

2. Cost Growth

a. Original Definition:

A term related to the net change of an estimated or actual amount over a base figure previously established. The base must be relatable to a program, project or contract and be clearly identified including source, approval authority, specific items included, specific assumptions made, date and the amount.

b. Results:

Strongly Agree	16	(67 %)		
Somewhat Agree	5	(21 %)	Agree	88 %
Somewhat Disagree	2	(8 %)	Disagree	8%
Strongly Disagree	0	(0 %)	No Comment	4 %
No Comment	1	(4 %)		

c. Responses:

The following comments were used to revise the definition:

- Suggest revising "net change" to read "net increase" in the first sentence. The second sentence is confusing to me. It's not clear just what point we're trying to get across. Therefore, it's difficult to offer a meaningful suggestion. We seem to be expending more effort to define the base against which the growth is measured, than the phenomenon of the growth itself. It might be useful to offer some discussion on the distinction between cost growth and cost overrun. (2)

- I believe your definition misses the mark in a number of ways. First, "growth" assumes an increase. "Net change over a base figure" doesn't necessarily convey the idea of an increase. The net change over a base figure could yield a negative. Secondly, while it is correct to indicate that in order to compute a meaningful growth rate one must

have a defined base, I believe your definition is too specific. Cost growth can relate to "bases" broader or narrower than those you have identified. I would suggest using the phrase "such as" rather than "must be". Finally, I fail to see why it is necessary to know the "approval authority" in order to compute cost growth. (2)

The following comments, although valid, were not implemented into the revised definition as the researcher believes that they did not substantially change the definition:

- "Related to" is too nebulous for a definition. Cost growth is an increase in cost, either actual or projected, over some previously established estimated cost. (3)

- Should "Base Figure" be "Base Amount"? (3)

- Line one, after "established" add "with regard to cost or an expense relatable to a specific source." (3)

- I mostly agree, however, while you are talking about growth, you really could have lower costs than anticipated. This would be unusual, but not impossible in say an incentive type contract. In that case, you could change your definition to say, "different from the" base figure instead of "over." You can have negative cost growth, so therefore you could use the changed definition for both situations. (3)

- While I agree somewhat, the phrasing seems a little awkward. (3)

Discussion: This definition has a mean of 3.60 and a standard deviation of .656. Although 88 % of the respondents agreed with the definition two respondents Somewhat Disagreed with the original definition. The researcher reviewed their comments and modified the definition.

d. Proposed Definition Based on First Responses:

A term related to a net increase of an actual or projected amount over some previously established base figure. The base may be related to a project or contract and be clearly identified including source, specific items included, specific assumptions made, date and the amount.

e. Results from Second Questionnaire:

Strongly Agree	18	(82 %)		
Somewhat Agree	1	(4 %)	Agree	86 %
Somewhat Disagree	3	(14 %)	Disagree	14 %

Strongly Disagree	0 (0 %)
No Comment	0 (0 %)

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- Your definition never mentions that the growth is in dollars (the quantity being measured is monetary, but your definition is more a definition of "growth" rather than of "cost growth" specifically). (2)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- I use this term only with reference to cost contracts. In program management, the term is increased scope or under-budgeted cost rather than cost growth. (2)

- Still very weak. (2)

- Change some to a, change figure to amount. (3)

Discussion: This definition has a mean of 3.86 and a standard deviation of .716. While there are three respondents with a Strongly Disagree rating the average has slightly increased. This researcher believes the original definition remains valid and only minor modifications were made.

g. Proposed Definition Based on Second Responses:

A term related to a net increase of an actual or projected amount (in dollars) over some previously established base figure. The base may be related to a project or contract and be clearly identified including source, specific items included, specific assumptions made, date and the amount.

h. Results from Third Questionnaire:

Strongly Agree	14 (78 %)		
Somewhat Agree	4 (22 %)	Agree	100 %
Somewhat Disagree	0 (0 %)	Disagree	0 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

i. Responses from Third Questionnaire:

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- I would add the word "should" before "be". (3)

- "Related to" is too nebulous for a definition. Cost growth is an increase in cost, either actual or projected, over some previously established estimated cost. (3)

- A term related to an increase of an amount (in dollars) over some previous figure. The base may be related to a project or contract… (3)

The following comment was not implemented into the revised definition. See the discussion section below:

- I still think the second/last sentence is overdone and tends to shift the focus away from the concept we are trying to define. I think the discussion of source, items, assumptions, date, and amount add confusion rather than clarity. I also think that this definition is more suited to the term "overrun" than "cost growth". Perhaps that is a distinction by organization makes that others do not. We consider a cost growth the result of some changes to the originally contemplated work, which normally would entitle the contractor to additional fee (if in a cost reimbursement contract). An overrun, on the other hand, is simply that actual costs exceed the estimate for the originally contemplated work. (3)

Discussion: This definition has a mean of 3.78 and a standard deviation of .427. The researcher disagrees with the comment that the second sentence causes confusion. The second sentence is used for clarification. While some re-wording was completed initially, the researcher believes the second sentence is a valuable portion of the complete definition. This definition has a 100% agreement rating; therefore, the researcher believes the definition remains valid and no changes are made.

j. Proposed Final Definition Based on Third Responses:

A term related to a net increase of an actual or projected amount (in dollars) over some previously established base figure. The base may be related to a project or contract and be clearly identified including source, specific items included, specific assumptions made, date and the amount.

Synonyms: Cost Increase, Budget Creep
Antonyms: Under Budget, Cost Reduction/Decline,
Example(s): None

3. Deadlock

a. Original Definition:

A position reached during negotiations from which the two parties are unable to move forward to an agreement.

b. Results:

Strongly Agree	24	(100 %)		
Somewhat Agree	0	(0 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

There were no comments for this term. It received 100% consensus on the first survey. The definition has a mean of 4.0 and a standard deviation of 0.00.

d. Proposed Definition Based on First Responses:

This researcher did not change the previous definition. The definition is as follows:

A position reached during negotiations from which the two parties are unable to move forward to an agreement.

e. Results from Second Questionnaire:

Strongly Agree	22	(100 %)		
Somewhat Agree	0	(0 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. ***Responses from Second Questionnaire:***

None

Discussion: Again there was a 100% consensus on the definition. This definition has a mean of 4.0 and a standard deviation of 0.00.

g. ***Proposed Definition Based on Second Responses:***

The researcher did not change the previous definition. The definition is as follows:

A position reached during negotiations from which the two parties are unable to move forward to an agreement.

h. ***Results from Third Questionnaire:***

Strongly Agree	18	(100 %)		
Somewhat Agree	0	(0 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. ***Responses from Third Questionnaire:***

None

Discussion: This definition continues to have a mean of 4.0 and a standard deviation of 0.00. The 100% agreement rate continued throughout the three surveys. The researcher continued to include this term in an attempt to receive suggestions for synonyms, antonyms, and examples. No changes were made to this definition.

j. ***Proposed Final Definition Based on Third Responses:***

A position reached during negotiations from which the two parties are unable to move forward to an agreement.

Synonyms: Impasse, Stalemate, and Deal Breaker
Antonyms: Closure, Agreement, Mutual Agreement, Negotiable, Breakthrough, Settlement
Example(s): None

4. Electronic Data Interchange (EDI)

a. Original Definition:

The direct electronic transmission, computer to computer, of data that are machine-readable and processable using a public standard between two organizations.

b. Results:

Strongly Agree	14	(58 %)		
Somewhat Agree	9	(38 %)	Agree	96 %
Somewhat Disagree	1	(4 %)	Disagree	4 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- Not necessarily a public standard. (3)

- Add: "organizations" which includes transmission of information including contracts, agreements, request for proposal and other documents previously provided via hard copy. (3)

- Is the standard between two organizations or is it a standard compatible with the software used by both parties. (3)

- I suggest removing the phrase "computer to computer." It seems redundant and limiting at the same time. I might suggest saying "The direct electronic transmission and receipt..." Also, I don't believe the standard used needs to be "public." Rather, EDI can take place between any two parties using whatever standard they have agreed to. (2)

The following comments, although valid, were not implemented into the revised definition as the researcher believes that they did not substantially change the definition:

- A philosophy for conducting business in an integrated automated information environment. "Computer to computer electronic transfer of business data." (3)

- Substitute "from one computer to another", instead of the words "computer to computer." (3)

- Suggest removing "between two organizations." (3)

- "... Of data and documents that are..." (3)

- It may not be direct, as the Government requires the use of an intermediary, and the Network entry point. (3)

- Why are you attempting to redefine something like this? Isn't there a governing body, which already defines this? My understanding of EDI is that all parties using it exchange business transaction data in structured formats. I thought there was something called X12 standards in the US. I would think if the business community can agree on standards for electronic commerce, they should also have an agreed upon definition for EDI. I have a copy of a magazine called EDI World if you are interested. (3)

Discussion: This definition has a mean of 3.54 and a standard deviation of .588. Even though this definition received an agreement rate of 96% the researcher feels the respondents generated some excellent suggestions and made moderate modifications in order to further refine this definition.

d. Proposed Definition Based on First Responses:

The direct electronic transmission and receipt of business data that is machine readable and processable using an agreed upon standard between two or more organizations.

e. Results from Second Questionnaire:

Strongly Agree	17	(77 %)		
Somewhat Agree	5	(23 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0%
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- Note: For synonyms, modem is a piece of hardware. I believe it does not fit. (4)

- Question "modem" as a synonym. (4)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- Electronic Data Interchange is exchange of data between two entities via a network. (3)

- Not necessarily "business data." Could be any data. (3)

-..."Organizations" might be changed to..."business entities" including the Government. (3)

- Reword: The direct electronic transmission and receipt of business data between two or more organizations that is machine readable and processable using an agreed upon standard. (4)

- I don't know that the standard must be public. Two entities could agree to a unique protocol to conduct business. (3)

Discussion: This definition has a mean of 3.77 and a standard deviation of .428. While this definition generated many comments, there is a 100% acceptance rate so only one grammatical modification was implemented.

g. Proposed Definition Based on Second Responses:

The direct electronic transmission and receipt of business data that are machine readable and processable using an agreed upon standard between two or more organizations.

h. Results from Third Questionnaire:

Strongly Agree	17 (94 %)		
Somewhat Agree	1 (6 %)	Agree	100 %
Somewhat Disagree	0 (0 %)	Disagree	0 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

i. Responses from Third Questionnaire:

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition.

- The direct electronic transmission and receipt of data. (3)

Discussion: This definition has a mean of 3.94 and a standard deviation .255. This definition has an agreement rate of 100%. The researcher believes it remains valid and made no changes to the definition.

j. Proposed Final Definition Based on Third Responses:

The researcher did not change the previous definition. The definition is as follows:

The direct electronic transmission and receipt of business data that are machine readable and processable using an agreed upon standard between two or more organizations.

Synonyms: Electronic Commerce, Electronic Data Exchange, and Electronic Data Transfer
Antonyms: Hard Copy, Hard Copy Data Interchange, and Manual Data Transfer
Example(s): None

5. Factfinding

a. Original Definition:

(i) During the procurement process, it is the action of identifying and obtaining information necessary to complete the evaluation of proposals, and most particularly in preparation for contract negotiation.

(ii) A technique of Alternate Dispute Resolution (ADR) where a third party attempts to reduce or eliminate conflict concerning factual, rather than legal matters.

b. Results:

Strongly Agree	21	(88 %)		
Somewhat Agree	2	(8 %)	Agree	96 %
Somewhat Disagree	1	(4 %)	Disagree	4%
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the original definition:

- I would change "i" to read, "A process that is the action..." Delete (ii) as it confuses the definition and could be used as an example. (2)

- I would further refine definition (i) to reflect that fact-finding is essential in the process of setting negotiation objectives. (3)

- Take out the (ii) for ADR, as it is not a separate issue but another part in the Procurement process. (3)

Discussion: This definition has a mean of 3.83 and a standard deviation of .481. The researcher believes the original definition remains valid due to the 96% agreement rate, therefore no changes were made to the definition.

d. Proposed Definition Based on First Responses:

The researcher did not change the previous definition. The definition is as follows:

(i) During the procurement process, it is the action of identifying and obtaining information necessary to complete the evaluation of proposals, and most particularly in preparation for contract negotiations; or

(ii) A technique of Alternate Dispute Resolution (ADR) where a third party attempts to reduce or eliminate conflict concerning factual, rather than legal matters.

e. Results from Second Questionnaire:

Strongly Agree	18	(82 %)		
Somewhat Agree	4	(18 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments, although valid, were not implemented into the revised definition as the researcher believes that they did not substantially change the original definition:

- Technique to clarify or obtain additional factual information. (3)

- Did you intend to make a real distinction between "factfinding" and pre-solicitation planning? What about factfinding related to preparing a solicitation? Is that the later? (3)

- Factfinding could also be used with other proposals like rate or incurred cost proposals. (3)

- During...action of identifying issues and formulating questions to obtain information... A technique...(ADR) whereby a third... (3)

Discussion: This definition has a mean of 3.81 and a standard deviation of .394. Although there continue to be some comments, there was a 100 % rate of agreement with the original definition. This researcher believes the definition remains valid; therefore, only a minor modification is implemented.

g. Proposed Definition Based on Second Responses:

(i) During the procurement process, it is the action of identifying and obtaining information necessary to complete the evaluation of proposals, and most particularly in preparation for contract negotiations; or

(ii) A technique of Alternative Dispute Resolution (ADR) where a third party attempts to reduce or eliminate conflict concerning factual, rather than legal matters.

h. Results from Third Questionnaire:

Strongly Agree	18 (100 %)		
Somewhat Agree	0 (0 %)	Agree	100 %
Somewhat Disagree	0 (0 %)	Disagree	0 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

i. ***Responses from Third Questionnaire:***

None

Discussion: This definition has a mean of 4.00 and a standard deviation of 0.00. The definition also exhibits a 100% agreement rate. The researcher believes the definition remains valid and no changes were made.

j. ***Proposed Final Definition Based on Third Responses:***

(i) During the procurement process, it is the action of identifying and obtaining information necessary to complete the e evaluation of proposals, and most particularly in preparation for contract negotiations; or

(ii) A technique of Alternative Dispute Resolution (ADR) where a third party attempts to reduce or eliminate conflict concerning factual, rather than legal matters.

Synonyms: Interrogatory, Discovery, and Investigation
Antonyms: Face Value, Intuition, Best Guess, and Educated Guess
Example(s): None

6. Learning Curve

a. ***Original Definition:***

A tool of calculation used primarily to project resource requirements, in terms of some measurable unit, such as direct manufacturing labor hours or the quantity of material required for a production run. The term is used to characterize an empirical relationship between the number of units produced and the number of labor hours required to produce them.

b. ***Results:***

Strongly Agree	8 (33 %)		
Somewhat Agree	10 (42 %)	Agree	75 %
Somewhat Disagree	6 (25 %)	Disagree	25 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

c. Responses:

The following comments were used to revise the definition:

- I think this definition probably makes a good deal of sense to someone who already understands the concept, but I don't believe it would impart a good understanding to someone who is not already familiar with it. Suggest including explanation of some of the concepts/assumptions involved. For instance the notion that experience produces learning which reduces the amount of time required to do the job, on average, and that the rate of learning decreases over time/experience so that you have diminishing marginal returns resulting from the learning process. (3)

- In the last line after HOURS add: "and other associated costs" required... Also, add words about increased experience and improved techniques. (3)

- Definition needs expanded to explain the concept that you expect the effort to make, each unit goes down as experience (learning) increases. (3)

- This definition does not get the point of a learning curve across. A learning curve assumes that as you repeat a physical process you learn how to do it more efficiently with repetition. A learning curve measures how well you are learning and then helps predict how much effort will be required to produce future units. The relationship is not really between the number of units and the hours, although that is how it is expressed, but how much learning goes on per unit. A learning curve also addresses the regression that takes place if you stop the process and then restart, this is a break in production. (2)

- To me, the learning curve has to do with the length of time required to "learn" a new skill, operate a machine, produce a product, etc. Obviously, there is a relationship between time, labor and resources needed, depending on where one is on the curve. For example, a novice would require more labor hours to produce something than someone who had leveled out on the curve would. For the beginner, waste of materials may be a factor as well. (2)

- A learning curve is the period of reduced efficiency when a process is beginning. The start-up period is less efficient because the participants must complete their learning curve to obtain optimal efficiency. At the beginning of the learning curve, the participants are least efficient while at the peak of the learning curve, the participants are at optimal efficiency. (3)

- This definition as written sounds more like a straight line relationship between the number of units produced and labor hours required to produce each (i.e. the first unit would require the number of labor hours to produce as would the 10,000th unit). A learning curve is an empirical relationship calculating the reduced number of labor hours to produce units based on efficiencies gained due to learning during the production of earlier units. (2)

- I believe that your definition would be much improved if you incorporate into it the key insight underlying the learning curve, i.e. that it is designed to capture the empirically established relationship between experience and productivity in a manufacturing situation. (2)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the original definition:

- It seems to me that this definition is based in the historical derivation and use of the term. Is there a paradigm shift, which should be recognized? What about software coding? Research studies? Data base development? Educational materials development? Stocking of library shelves? Technical information abstracting? Etc. The definition needs to be opened up or made more generic. (3)

- Line 3, after "production run" add "for determining the increase in productivity based on improvements made by repetitive actions. Line 4, after "produce them" add "over time." (2)

- Replace "empirical" with "statistical." (3)

- In my opinion, the definition should first convey the concept and then describe the tool. In other words, to me, a "learning curve" is first and foremost the rate at which efficiency improves as more units are produced. The second definition should be the actual tool or chart, which depicts the learning curve. (3)

- ADD: The typical slope of the curve is in the direction of more output in less time. The element of production accountable for achieving this result is the human factor, attributable to a gain in skill through experience and "learning." (3)

- A way to determine progress using metric or the bell curve. Process not necessarily contingent on production of a product, but in a training cycle as well. (3)

- I have never heard of a learning curve in terms of material used, only in terms of labor hours. As with EDI, isn't this something which should already be well defined by the Engineering community. With material usage that improves over time, I usually talk about that in terms of an efficiency factor or a scrap factor. A true learning curve in my mind lends itself to a logarithmic mathematical calculation. Not even all labor efficiencies lends itself to the application of a pure learning curve. When they do, a logarithmic formula can be applied to predict future labor hours quite accurately. (2)

Discussion: This definition has a mean of 3.08 and a standard deviation of .775. Many comments were generated by this definition. There seems to be numerous ideas in the contracting field for the definition of Learning Curve. This researcher believes the original definition remains valid; however, many of the comments had merit and therefore modifications were made to incorporate the idea that labor hours may not be the

only measurable unit involved. The researcher also attempted to better explain the relationship between the number of units produced, the labor hours to produce those units, and the relationship between the two.

d. Proposed Definition Based on First Responses:

A tool of calculation used primarily to project resource requirements, in terms of some measurable unit, such as direct manufacturing labor hours and other associated costs required for a production run. The term is used to characterize an empirical relationship between the number of units produced and the number of labor hours required to produce them by measuring how much learning has occurred and then helping predict how much effort will be required to produce future units.

e. Results from Second Questionnaire:

Strongly Agree	18	(82 %)		
Somewhat Agree	2	(10 %)	Agree	92 %
Somewhat Disagree	1	(4 %)	Disagree	8 %
Strongly Disagree	1	(4 %)		
No Comment	0	(0 %)		

f. Results from Second Questionnaire:

The following comments were used to revise the definition:

- Replace "then helping" with using that data to… (4)

- The learning curve is a calculation of improved performance, production due to repetition of the process. (2)

- "…Units" or successive units during a production run. (3)

- Not sure it must be a relationship between units produced and labor hours. May be some other unit like machine hours, etc. (3)

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition.

- "The term is…to produce them during a given period of time." (1)

Discussion: This definition has a mean of 3.68 and a standard deviation of .779. This definition improved dramatically from a 75% agreement rate to a 92% agreement rate. The researcher maintains that this definition is valid and made only minor modifications.

g. Proposed Definition Based on Second Responses:

A tool of calculation used primarily to project resource requirements, in terms of some measurable unit, such as direct manufacturing labor hours and other associated costs required for a production run. The term is used to characterize an empirical relationship between the number of units produced and the number of labor hours required to produce them by measuring how much learning has occurred and then using those data to predict how much effort will be required to produce future units or successive units during a production run.

h. Results from Third Questionnaire:

Strongly Agree	15	(83 %)		
Somewhat Agree	2	(11 %)	Agree	94 %
Somewhat Disagree	1	(6 %)	Disagree	6 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comments were used to revise the definition:

- Delete worse from Antonyms? (4)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- A tool of calculation used primarily to project resource requirements to estimate the improvement in productivity based on learning that has occurred as a result of repetitive action. (2)

- Learning Curve does not necessarily refer to just production runs. I feel it is a productivity tool, to track trends to meet a specific end, whether a productivity run or learning how to administer construction contracts. (3)

- I still think the definition is too labor hour specific and this is an internal conflict in the definition. It starts out addressing a measurable unit such as labor hour and then gets to labor hour without saying e.g., labor hours. So the reader is left with the thought that learning curve is specific to labor hours. That may be relatively true today, but with labor

becoming less and less a measure of product cost, there will be other parameters used in the future to measure improvement. I am suggesting this to you for consideration but clearly the definition will work for most situations. (3)

Discussion: This definition has a mean of 3.78 and a standard deviation of .548. The agreement rate increased an additional 2% for a total of 96% agreement rate. The researcher believes the definition is valid and no additional modifications were made.

j. Proposed Final Definition Based on Third Responses:

A tool of calculation used primarily to project resource requirements, in terms of some measurable unit, such as direct manufacturing labor hours and other associated costs required for a production run. The term is used to characterize an empirical relationship between the number of units produced and the number of labor hours required to produce them by measuring how much learning has occurred and then using those data to predict how much effort will be required to produce future units or successive units during a production run.

Synonyms: Improvement Curve, Rate of Improvement
Antonyms: Digression Curve, Regression Curve
Example(s): None

7. Not-To-Exceed (NTE)

a. Original Definition:

An agreed upon amount between a buyer and seller, possibly subject to later negotiation, beyond which the buyer is not liable. If later negotiated, the price/cost may only be adjusted downward.

b. Results:

Strongly Agree	12	(50 %)		
Somewhat Agree	7	(30 %)	Agree	80 %
Somewhat Disagree	4	(16 %)	Disagree	20 %
Strongly Disagree	1	(4 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- The concept is good but needs reworded. It doesn't read well. (3)

- I'm not sure why it is only adjusted downward. Couldn't the buyer and seller modify the agreement upward following some unexpected change in costs? (2)

- Line 3, delete "only" and "downward." (2)

- First sentence, delete "possibly". Delete last sentence. Not appropriate for the definition as well as inaccurate. The NTE can be a value that the buyer and seller agree upon until such time as additional money is available or negotiations are completed at which time the NTE is replaced with a definite value (and that value could be greater than the original NTE). (1)

- I would change the word "if" in "if later…" I believe it requires negotiation even if it is as simple as to negotiate the NTE as the final figure based on support information. (3)

- I'm a little confused with this definition. If the agreed upon amount need not be subject to subsequent negotiation, then are you committed to the position that a firm fixed price contract amount is also an NTE amount? I think you need to work in the fact that, at least in my experience, the concept of NTE is only employed in situations in which the financial obligations of the parties are not known/knowable in advance of performance buy that at least one of the parties wants to place an absolute upper limit on their obligation to pay. (2)

- I believe that the definition is somewhat rigid. It seems to me that if used synonymously with "ceiling" the negotiated adjustment could be upward as well as downward. (3)

The following comments, although valid, were not implemented into the revised definition as the researcher believes that they did not substantially change the definition:

- NTE is an amount in a contract which a contractor cannot exceed, but may reach any point of dollar amount up to that point, unless further negotiated to a new level. If contractor exceeds NTE without approval then it is at own risk and on the buyer. (2)

- "… If later negotiated with the same scope of work, the price…" (3)

- A method of stating a maximum limit on a price or cost to be paid or agreed upon at some later time. (3)

- NTE is a phrase added to a price, salary, etc., above which one may not go. It is not an amount in itself. (3)

- Since virtually anything is "possibly subject to later negotiation", I would remove this phrase from the definition. Also, I am unaware of any rule allowing only downward adjustments during a re-negotiation. (3)

Discussion: This definition has a mean of 3.25 and a standard deviation of .896. This definition generated multiple comments with a 20 % Disagreement rate. The researcher agrees that anything is subject to negotiation and deleted the word "possibly" from the definition. The researcher also agreed that the second sentence could be deleted by adding the phrase (either upward or downward) after negotiation.

d. Proposed Definition Based on First Responses:

An agreed upon amount between a buyer and seller, subject to later negotiation (either upward or downward), beyond which the buyer is not liable.

e. Results from Second Questionnaire:

Strongly Agree	15	(68 %)		
Somewhat Agree	3	(14 %)	Agree	82 %
Somewhat Disagree	3	(14 %)	Disagree	18 %
Strongly Disagree	1	(4 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- This is not an NTE if it is subject to upward negotiation. It becomes just a goal. (3)

- "...Seller, possibly subject to..." (3)

- Not to Exceed implies a limit. Your definition sounds more like a target, versus a limit. (2)

- I believe that your concept is compatible with ROM (rough order of magnitude) pricing. With NTE, the cost can only be negotiated down, all other factors remaining constant. (2)

- Your definition contradicts the entire concept. You cannot exceed the limit; you can not negotiate upward. How can you have a not to exceed if you can go above the number? The only adjustment is downward. This is why the use of not-to-exceeds causes so many problems. (1)

- I do not agree with the upward adjustment. If the ceiling is subject to upward adjustment then it is not a "not to exceed" amount. (2)

- As with anything, this is subject to negotiation of the parties, so while likely to be downward, there may be reasons to increase cost or price if buyer has contributed to the failure to live within the ceiling. (3)

Discussion: This definition has a mean of 3.45 and standard deviation of .911. Again, this definition generated many comments. Upon review, the researcher agrees with the concept that an upward negotiation contradicts NTE. The definition was revised to portray this change.

g. Proposed Definition Based on Second Responses:

An agreed upon amount between a buyer and seller, possibly subject to later negotiation, beyond which the buyer is not liable.

h. Results from Third Questionnaire:

Strongly Agree	17	(94 %)		
Somewhat Agree	1	(6 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comments were used to revise the definition:

- "Limitation of Cost" should not be a synonym as it holds a more distinct means. (4)

- It can only be negotiated downward, this is the most important concept of an NTE, the rest is really irrelevant. The price cannot exceed what was quoted or offered or bid. (3)

Discussion: This definition has a mean of 3.94 and a standard deviation of .235. The researcher believes due to the 100% agreement rate, the definition is appropriate and remains valid, therefore no changes are implemented to the definition.

j. Proposed Final Definition Based on Third Responses:

An agreed upon amount between a buyer and seller, possibly subject to later negotiation, beyond which the buyer is not liable.

Synonyms: Cap, Ceiling, and Limit
Antonyms: Unlimited, Guaranteed Minimum, Undefined Amount
Example(s): None

8. Outsourcing

a. Original Definition:

The acquisition of goods or services from an outside source that were previously provided in-house.

b. Results:

Strongly Agree	19	(79 %)		
Somewhat Agree	5	(21 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

c. Responses:

The following comments were used to revise the definition:

- Line 1, revise "were" to "may have been." (3)

- Acquisition of Services… (3)

- Did not necessarily have to be provided in house previously. (3)

- Only disagreement would be with the word "previously." A decision to outsource could be made during make/buy decisions for new products/articles. (3)

- My only question is why did you ever have to have provided them in-house? (4)

The following comments, although valid, were not implemented into the revised definition as the researcher believes that they did not substantially change the original definition:

- Might add something similar to the following: "...in-house resulting in a lower cost or greater efficiency." (3)

Discussion: This definition has a mean of 3.79 and a standard deviation of .414. Even though this definition received a 100% agreement rating, the researcher agrees that a good or service would not necessary have to have been provided in-house. The researcher made a minor modification to the definition to reflect this point.

d. Proposed Definition Based on First Responses:

The acquisition of goods or services from an outside source that may or may not have been previously provided in-house.

e. Results from Second Questionnaire:

Strongly Agree	21	(95 %)		
Somewhat Agree	1	(5 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comment was not implemented into the revised definition. See the discussion section below:

- May not have ever been produced in-house if a buy decision was reached. (3)

Discussion: This definition has a mean of 3.95 and a standard deviation of .213. The only comment received was addressed in the last revision of the definition by inserting the words "may or may not have." The researcher believes due to the 100% agreement rate, the definition remains valid and no modifications were made.

g. Proposed Definition Based on Second Response:

The researcher did not change the previous definition. The definition is as follows:

The acquisition of goods or services from an outside source that may or may not have been previously provided in-house.

h. Results from Third Questionnaire:

Strongly Agree	17	(94 %)		
Somewhat Agree	1	(6 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- I agree but still feel it could be shortened to "The acquisition of goods or services from an outside source" without in any way diminishing its validity. The last few words are not important. (3)

Discussion: This definition has a mean of 3.94 and a standard deviation of .235. The researcher agrees with the only comment generated; however, he believes that leaving the definition as is does not detract from the concept. The definition remains valid and no changes were made.

j. Proposed Final Definition Based on Third Responses:

The acquisition of goods or services from an outside source that may or may not have been previously provided in-house.

Synonyms: Buy, Contracting Out
Antonyms: Make, In-house performance
Example(s): None

9. Profit

a. Original Definition:

The net proceeds from selling a product or service when costs are subtracted from revenues. Generally characterized as the basic motive of business enterprise. In contract pricing, profit represents an excess of revenues over and above total reimbursements for allowable costs in contract performance.

b. ***Results:***

Strongly Agree	14 (58 %)		
Somewhat Agree	5 (21 %)	Agree	79 %
Somewhat Disagree	5 (21 %)	Disagree	21 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

c. ***Responses:***

The following comments were used to revise the definition:

- The last sentence seems confusing/misleading and/or inaccurate. I'm not clear what's meant by "in contract pricing" but, in general, it would seem that "in pricing" profit represents an excess of price over estimated cost. We also seem to be mixing concepts usually associated with cost reimbursement contracting (i.e., "reimbursements for allowable costs"), with concepts usually associated with cost fixed-price contracts (profit v. fee). The first sentence seems to adequately describe profit in a fixed-price situation. It might help to point out that in a (government) cost reimbursement situation, profit (from the seller's standpoint) will actually be the excess of total payments (cost and fee) over total cost (both allowable and unallowable), since unallowable costs must be paid from profit, thereby reducing it. (2)

- I would say "....for all costs of contract performance." Unallowable costs are still costs and not profit. (3)

- In Government contracting, profit also covers risk. You need to decide if you are defining profit when it is being negotiated or afterwards. On a fixed price contract the profit is higher because there is risk that the actual costs will be higher than estimated. The contractor bears this risk, and therefore gets a higher profit. On cost plus fixed fee contracts there is supposedly little or no risk. Thus, the contractor gets a much lower profit. If you are going to put in allowable, then you should include allocable, because costs must meet both tests to be reimbursable. However, costs are only reimbursable on a cost type contract. On a fixed price contract the buyer pays the price agreed to, allowable and allocable are not concerns. On cost jobs you get fee, not profit. Therefore, reimbursement, allowable, and allocable are not related to price, only fee. It may seem that there is no difference between fee and profit, buy there is in reality a great deal of difference because of how they are calculated and what they cover. (2)

- First sentence add the word "all" before costs. Last sentence add the words, "allocable and reasonable" before costs. I would also delete the last prepositional phrase from this sentence. (3)

- I have to disagree with the second half of your definition because it assumes one is only dealing with cost type contracts. With fixed price contracts, a contractor is not "reimbursed" for allowable costs. I think the definition should be simply, "the amount received in excess of allowable and allocable direct and indirect costs." (2)

- The contracting oriented portion of the definition is inaccurate. "Profit" is only associated with fixed price instruments and hence the notion of "allowable" costs does not apply. If it is your intent to use the term "profit" in a generic sense that incorporates both profit and fee as understood in government contracting circles; you'll need to say so and modify your language slightly to accurately describe them. (2)

- This definition only works from the Governments perspective because of the inclusion of the term "allowable" to qualify the costs. From a contractor's perspective, all costs, whether the Government defines them as allowable or not, impact the profit margin. The fact that the Government does not recognize a cost as allowable does not make the cost disappear. When a company prices a contract they consider all costs when determining how to bid and negotiate or whether it is profitable to do so. Also I would think the accounting community already has a generally accepted definition of profit. (2)

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the original definition.

- Delete "net" from above definition. Add: "Further refinement of the term into Gross and Net Profit results from distinguishing between "net of direct costs (gross) and net of all costs, direct and indirect (net)." (3)

Discussion: This definition has a mean of 3.37 and a standard deviation of .824. The respondents gave some detailed explanations as to why they believed the definition requires refinement. The researcher reviewed the comments and determined that the last sentence of the definition is the area addressed by most of the respondents' comments. The researcher believes deleting this sentence will not detract from the concept of "profit"; therefore, a modification was made.

d. Proposed Definition Based on First Responses:

The net proceeds from selling a product or service when all costs are subtracted from revenues. Generally characterized as the basic motive of business enterprise.

e. Results from Second Questionnaire:

Strongly Agree	20	(90 %)		
Somewhat Agree	1	(5 %)	Agree	95 %

Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- Opportunity Cost is not a synonym for profit. (4)

The following comments were not implemented in the revised definition for the reasons stated in the comment section below:

- Basic motive is not correct. Quality and customer relationships are essential motives that are not necessarily related to profit. Any definition like this is subject to being second guessed without knowing more – profit means fixed price but there is no indication of this term being related to only fixed price contracts. Revenues generally relate to total business for a company. This should indicate contract revenue or contract payments, etc. (2)

- Of a for profit enterprise. (3)

Discussion: This definition has a mean of 3.86 and a standard deviation of .467. The researcher believes that profit is generally the basic motive of business. The researcher agrees that "not for profit" businesses do exist, but that there are many more "for profit" enterprises than "not for profit businesses". The definition was not modified.

g. Proposed Definition Based on Second Responses:

The researcher did not change the previous definition. The definition is as follows:

The net proceeds from selling a product or service when all costs are subtracted from revenues. Generally characterized as the basic motive of business enterprise.

h. Results from Third Questionnaire:

Strongly Agree	17	(94 %)		
Somewhat Agree	1	(6 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %

Strongly Disagree 0 (0 %)

No Comment 0 (0 %)

i. Responses from Third Questionnaire:

The following comment was used to revise the definition:

- Delete ROI from list of synonyms. It is not the same as profit. Two firms may have exactly the same amount of profit, or even the same profit as a percentage of sales, and have very different rates of return on investment. (4)

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- This is still not quite there in my opinion. It should be the net residual amount… Rather that the net proceeds is itself ill defined whereas residual amount is clearly a quantity. Proceeds are too much like revenue. It is understandable as written but still confusing. (3)

Discussion: This definition has a mean of 3.94 and a standard deviation of .235. Due to an agreement rate of 100% the researcher believes the definition remains valid therefore no changes are made.

j. Proposed Definition Based on Third Responses:

The net proceeds from selling a product or service when all costs are subtracted from revenues. Generally characterized as the basic motive of business enterprise

Synonyms: Gain, Net Proceeds, and Surplus, Return on Investment
Antonyms: Loss, Short Fall
Example(s): None

10. Proposal

a. Original Definition:

Any offer or other submission used as a basis for pricing a contract, contract modification, or termination settlement or for securing payments thereunder.

b. ***Results:***

Strongly Agree	10	(42 %)		
Somewhat Agree	12	(50 %)	Agree	92 %
Somewhat Disagree	1	(4 %)	Disagree	8 %
Strongly Disagree	1	(4 %)		
No Comment	0	(0 %)		

c. ***Responses:***

The following comments were used to revise the definition:

- Proposals also have to do with technical issues and are frequently at no cost/price for a contract modification, etc. You definition is too limited. (3)

- This defines a particular type of proposal, i.e. cost or price. A proposal is an offer or other submission describing or acknowledging work to be performed. It may include information regarding the price or cost of the work. (3)

- This sounds more like a bid, proposals normally include written responses in management and technical volumes in addition to the cost volume. In Government contracting you talk about bids and proposals. Bids are bottom line offers to provide something for a well-defined specification. Proposals are for more complex procurements where the technical issues are as important or more so than the price, even if the final deciding factor is the low bid, the contractor must be technically acceptable. (3)

- The definition only addresses "Cost" proposal. The term proposal is broad in that it includes all aspects of the response to an offer (technical, past performance, etc.). (2)

- "...Basis for pricing and negotiating..." (3)

- A proposal is the total package submitted by an offeror. Pricing action is accomplished against that offer. Your definition seems to imply that it is only the pricing part of the offer. The proposal includes all terms and conditions. (1)

- I believe that the definition is too narrow and may involve more that just cost/pricing. A proposal also may be a "technical proposal" or plan to accomplish a Statement of Work." (3)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the original definition:

- Once solicited. (3)

- I really didn't understand what you meant by the phrase "securing payments." This makes me think in terms of an invoice or voucher. Do you mean a proposal submitted in support of a claim? (3)

- Proposals are also submitted for Grants, Cooperative Agreements, Other Transactions and, I suppose, a host of other instruments/arrangements/agreements. (3)

- I would suggest you add the phrase "open to negotiation" after the word "submission" so as to distinguish a "proposal" from a "bid" or a "quote." (3)

- Substitute "evaluate" for "pricing" since it is more generic and hence would cover other proposals/proposal elements such as technical proposals, etc. (3)

- ADD: "... used to secure new business or as a basis for..." (3)

Discussion: This definition has a mean of 3.29 and a standard deviation of .750. Many of the respondents' comments were directed toward the word "pricing" in the original definition. This researcher agreed with the comments and moderate modifications were implemented.

d. Proposed Definition Based on First Responses:

Any offer or other submission used as a basis for negotiating all terms and conditions of a contract, contract modification, or termination settlement or for securing payments thereunder.

e. Results from Second Questionnaire:

Strongly Agree	18	(81 %)		
Somewhat Agree	3	(14 %)	Agree	95 %
Somewhat Disagree	1	(5 %)	Disagree	5 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments were used to revise the definition:

- "…. Basis for agreement or for negotiating…" (3)

- I do not agree that "non-responsiveness" is an antonym. (4)

- As noted above, there are other proposals that are not used as the basis for pricing a contract etc, such as incurred cost proposals, termination proposals, rate, etc. (3)

- Any offer or other submission providing an approach to performance used as…

The following comment, although valid, was not implemented into the revised definition as the researcher believes it did not substantially change the definition:

- Proposal is the position of the offeror that includes the goods or services to be provided in exchange for (consideration) and terms and conditions under which the agreement will be performed. (2)

Discussion: This definition has a mean of 3.77 and a standard deviation of .528. There is a 95 % acceptance rate for this definition. This researcher believes the concept of the definition remains valid; however, he determined that minor grammatical changes were required for clarification.

g. Proposed Definition Based on Second Responses:

Any offer or other submission used as the basis for a contractual agreement, including negotiation of all terms and conditions of a contract, contract modification, termination settlement or for securing payments thereunder.

h. Results from Third Questionnaire:

Strongly Agree	15 (83 %)		
Somewhat Agree	2 (11 %)	Agree	94 %
Somewhat Disagree	1 (6 %)	Disagree	6 %
Strongly Disagree	0 (0 %)		
No Comment	0 (0 %)		

i. Responses from Third Questionnaire:

The following comments were used to revise the definition:

- I do not agree that non-responsiveness is an antonym. (3)

- Delete the antonym Non- responsiveness. (4)

- You may want to include in the examples, rate negotiations, incurred cost submissions etc. since they are submitted in the form of a proposal. (4)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- This one seems to stay confused. What about: Any offer, including price and any terms and conditions, used as the basis to negotiate a contractual agreement, modification, or termination settlement. (3)

- The proposal must include the goods or services being offered and the price. (2)

Discussion: This definition has a mean of 3.78 and a standard deviation of .548. The researcher notes that the agreement rate declined by 1%; however, he maintains the definition remains valid. Therefore, no changes were made.

j. Proposed Final Definition Based on Third Responses:

Any offer or other submission used as the basis for a contractual agreement, including negotiation of all terms and conditions of a contract, contract modification, termination settlement or for securing payments thereunder.

Synonyms: Bid, Offer, and Quotation
Antonyms: Silence
Example(s): None

11. Sound Business Practice

a. Original Definition:

The process of making logical, viable, comprehensive decisions in a competitive business environment which are intended to yield the greatest resource allocation in the execution of an efficient operation.

b. Results:

Strongly Agree	10	(42 %)		
Somewhat Agree	10	(42 %)	Agree	84 %

Somewhat Disagree	3	(12 %)	Disagree	12 %
Strongly Disagree	0	(0 %)	No Comment	4 %
No Comment	1	(4 %)		

c. ***Responses:***

The following comments were used to revise the definition:

- The process...the greatest <u>return on</u> resource allocation...(3)

- Not sure what does "a competitive business environment" mean. It would seem that there are many situations that may not fit the notion of "a competitive business environment", but which still call for the application of sound business practices (e.g., Government, education, non-profit organizations, etc.). (3)

- Does it have to be in a competitive environment? Can the U.S. Government (non-competitive) make a sound business practice? (3)

- Line 2, delete "competitive." Line 2, replace "greatest" with "most advantageous." Line 3, delete "efficient." (3) **(partially implemented)**

- I believe your definition is for "sound business decisions". Sound Business Practice: Is the process of putting into action/practice Sound Business Decisions. (2)

The following comments, although valid, were not implemented in the revised definition as the researcher believes they did not substantially change the original definition:

- A sound business practice could include selling an item at a loss in order to get business with a new customer. Once you have your foot in the door, then you have an opportunity to do more business that is profitable. Sound business practices cover much more than resource allocation. While the definition is not wrong, it is far too restrictive and does not cover all of the things that business must make decisions on. A sound business practice could be buying life insurance for the president, owner, or important technical person in a company. It has to do with what you sell, whom you sell to, and how you go about selling. Many things are involved in sound business practices. (3)

- Delete the word "competitive" and change "which" to "that." (3)

- ADD: "Although derived from 'a business environment', the term is increasingly attributed to comparable situations in governmental and not-for-profit organizations as well." (3)

- Given the information necessary to make the decision. (3)

The following alternative definitions were not used in the revised definition. See the discussion section below:

- The process of making logical, viable, comprehensive decisions in a competitive business environment which are intended to maximize profits, minimize losses, and/or improve efficiency and are designed to enhance the goals of the business unit. (2)

- Actions or processes which considering the current environment result in effective resource allocation and maximize return on investment. (3)

- My definition follows: "Any practice employed by a prudent businessman in the course of a competitive business environment." Another business practice which would meet my definition, but perhaps not yours would be the practice of incurring costs for employee morale boosters. It may be difficult to show how incurring such costs would be yielding the greatest resource allocation, yet in the long run that is precisely what the intent is. (2)

Discussion: This definition had a mean of 3.30 and a standard deviation of .687. While other alternative definitions were given, the researcher believes the original definition remains valid. The researcher agrees that "competitive business environment" removes many organizations from the concept of the definition and thus deleted the phrase. The researcher also agrees that the concept not only involves making logical, viable, comprehensive decisions but it requires putting these decisions into action. The above modifications were incorporated into the proposed second survey definition.

d. Proposed Definition Based on First Responses:

The process of putting into action logical, viable, comprehensive decisions intended to yield the greatest return on resource allocation in the execution of an efficient operation.

e. Results from Second Questionnaire:

Strongly Agree	17	(77 %)		
Somewhat Agree	5	(23 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments, although valid, were not implemented into the revised definition as the researcher believes that they did not substantially change the definition:

- "... Decisions usually intended..." (3)

- I don't believe a practice has to be intended to always yield the greatest return in order to be sound. (3)

- As noted above, there are sound business practices that are not immediately related to resource allocation, such as marketing the product and customer relations, quality, etc. (3)

- Probably not inaccurate, buy practically useless. Is this a term that we really need to list and define in a dictionary? (3)

- "The process...greatest resource allocation and distribution of work in the execution..." (3)

Discussion: This definition has a mean of 3.77 and a standard deviation of .428. Although this definition generated additional comments, it also achieved a 100 % agreement rate. The researcher believes the definition is sound. The comments received are valid however any additional modifications will detract from defining this term in the generic sense. Therefore no changes were made to the definition.

g. Proposed Definition Based on Second Questionnaire:

The researcher did not change the previous definition. The definition is as follows:

The process of putting into action logical, viable, comprehensive decisions intended to yield the greatest return on resource allocation in the execution of an efficient operation.

h. Results from Third Questionnaire:

Strongly Agree	15	(83 %)		
Somewhat Agree	3	(17 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the definition:

- I don't believe a practice has to be intended to yield the greatest return in order for it to be "sound." (3)

- Actions or processes which considering the current environment result in effective resource allocation and maximize return on investment. (3)

- Add - "that further the objectives of the business." (3)

Comments: This definition has a mean of 3.83 and a standard deviation of .383. By obtaining a 100% agreement rate on two consecutive surveys, the researcher believes this definition remains valid. Therefore no changes were made.

j. Proposed Final Definition Based on Third Responses:

The process of putting into action logical, viable, comprehensive decisions intended to yield the greatest return on resource allocation in the execution of an efficient operation.

Synonyms: Prudent Business Practice, Industry Practice, and Generally Accepted Practice, Prudent Judgement
Antonyms: Unsound Business Practice, Foolish, Negligence, Speculative, Irresponsible Judgement
Example(s): None

12. Weighted Guidelines

a. Original Definition:

A technique used by the Government to ensure consideration of the relative value of appropriate profit factors in establishing a profit objective and conducting negotiations. These profit factors include contractor's performance, contract type risk, and facilities capital investment.

b. Results:

Strongly Agree	14	(58 %)		
Somewhat Agree	8	(33 %)	Agree	91 %
Somewhat Disagree	0	(0 %)	Disagree	4.5 %

Strongly Disagree	1 (4.5 %)	No Comment	4.5 %
No Comment	1 (4.5 %)		

c. Responses:

The following comments were used to revise the definitions:

- Is the word profit necessary? Should it be just "factors" and "objective"? (3)

- My only complaint with your definition is the use of the term, "appropriate" in describing profit factors. A better term would be "predetermined." Using the term "appropriate" conveys a sort of blessing which many would disagree with. (3)

- Add "such things" between "include" and "contractor's." (4)

- I recommend deleting the word "profit" in "profit factors" in the first sentence. We consider appropriate factors. (3)

- May not only be used by Government. (3)

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the original definition:

- Add: "...conducting negotiations of non-COTS products and services..." (3)

- Weighted Guidelines is a phrase that is unique to DoD. The FAR and my civilian agency (Dept of Health and Human Services) use the phrase "structured approach." We also consider the company's Socio-Economic Programs in determining profit. (3)

- A technique...Government to control the amount of Government funds expended over and above allowable costs required to obtain needed goods and services. These profit..... (1)

- Suggest changing the first sentence to read, "A formula-based technique, used by the Government to ensure consideration of the relative value of established profit factors in calculating a profit objective for negotiation purposes. (3)

- Add "/fee" after profit in all cases. Add "prior to" before "conducting" and delete the "and" in front of conducting. (3)

Discussion: This definition has a mean of 3.52 and a standard deviation of .730. Even though this definition received an a 100% agreement rate, the researcher agreed with many of the respondent's comments and therefore made modifications to the definition in the following areas. The researcher agrees that the Government may not be the only

organization using the Weighted Guidelines concept. The researcher also agrees that "predetermined factors" should replace "appropriate profit factors" in the first sentence. Profit is not the only factor considered with the use of the Weighted Guidelines concept. These modifications were incorporated into the revised definition.

d. Proposed Definition Based on First Responses:

A technique used to ensure consideration of the relative value of predetermined factors in calculating a profit objective and conducting negotiations. These factors include such things as contractor's performance, contract type risk, and facilities capital investment.

e. Results from Second Questionnaire:

Strongly Agree	18	(82 %)		
Somewhat Agree	4	(18 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

f. Responses from Second Questionnaire:

The following comments, although valid, were not implemented into the revised definition as the researcher believes they did not substantially change the original definition:

- Weighted guidelines do not include "and conducting negotiations." (3)

- Factors are weighted by the amount of risk and benefit to the government. (3)

- Definition should be limited to sole source relationship, where there is no competitive marketplace. (3)

- It should be made clear the Weighted Guidelines are a government generated phenomenon whose intent is also to use these factors to limit the amount of profit it pays to its business partners. (3)

Discussion: This definition has a mean of 3.81 and a standard deviation of .394. This definition again received a 100% agreement rating. The comments received suggested an exclusive government definition to which the researcher did not agree based on prior comments received from other respondents. Only one minor modification was made to correct a grammatical error.

g. Proposed Definition Based on Second Responses:

A technique used to ensure consideration of the relative value of predetermined factors in calculating a profit objective and conducting negotiations. Factors include contractor performance risk, contract type risk, and facilities capital investment.

h. Results from Third Questionnaire:

Strongly Agree	16	(89 %)		
Somewhat Agree	2	(11 %)	Agree	100 %
Somewhat Disagree	0	(0 %)	Disagree	0 %
Strongly Disagree	0	(0 %)		
No Comment	0	(0 %)		

i. Responses from Third Questionnaire:

The following comments were not implemented into the revised definition. See the discussion section below:

- I'm still concerned that the technique is being used in "conducting negotiations." What about: ...profit objective, which is used in conducting negotiations. (3)

- Weighted Guidelines were developed by the DOD but may be accepted by other government agencies. (3)

- Think you should indicate that it is a DoD/Government generated, formula based, technique, even though it is used by others at times. (4)

- I would only add that it is used to determine both profit and fee objectives. If you consider profit and fee to be profit, it is ok. If not, need to add fee to the definition. (4)

Discussion: This definition has a mean of 3.89 and a standard deviation of .323. Although this definition generated further comments, it has a 100% agreement rate and therefore the researcher believes it remains valid and no changes were made.

j. Proposed Final Definition Based on Third Responses:

A technique used to ensure consideration of the relative value of predetermined factors in calculating a profit objective and conducting negotiations. Factors include contractor performance risk, contract type risk, and facilities capital investment.

Synonyms: Quantitative Profit, Structured Approach to Establishing Profit/Fee
Antonyms: Arbitrary determination of profit, Best Guess
Example (s): None

C. SUMMARY

This chapter has presented the results and analysis of the group of 12 terms from Survey B. These terms are attrition rate, cost growth, deadlock, electronic data interchange (EDI), factfinding, learning curve, not-to-exceed (NTE), outsourcing, profit, proposal, sound business practice, and weighted guidelines. Definitions, synonyms, antonyms, and examples were revised based on the feedback received from an initial group of 50 NCMA Board of Advisors, Functional Directors, and/or Chapter Presidents. The initial questionnaire, contained in Appendix E, solicited comments that led to revised definitions which were used to create the second questionnaire, contained in Appendix F. Based on these comments, the definitions were further revised as warranted and questionnaire number three, contained in Appendix G, was sent to those respondents who participated through the first two rounds. Ultimately a final proposed definition, Appendix I, was produced and will be recommended to be included in the dictionary of contracting and acquisition terms. Quantitative analysis indicates an increase in consensus for these terms as the result of this research effort. The consensus rates were calculated by dividing the total number of respondents into the number of respondents agreeing with the definition. All respondents that selected a rating category of (3) or (4) were considered in agreement with the definition.

IV. CONCLUSIONS AND RECOMMENDATIONS

A. INTRODUCTION

This chapter offers conclusions and recommendations generated as a result of this research effort. It includes observations drawn while conducting research and recommendations for improving subsequent follow on efforts. It concludes with an answer to the primary research question posed at the beginning of this thesis along with a summary of the chapter.

B. CONCLUSIONS

Since this is a follow-on to well-defined theses previously completed by students at NPS and AFIT, the researcher expected to develop many of the same conclusions. The conclusions of Ryan, Robinson, and Roe were definitely applicable to the research effort.

1. <u>The product of this thesis will add to the body of knowledge, which makes up the contracting discipline.</u> [Ref. 1: p. 79] [Ref. 4: p. 72] [Ref. 5: p. 64]

The 25 terms defined in this thesis combined with the terms from the previous efforts provides a solid basis to establish a contracting dictionary of commonly accepted working definitions. Follow-on research needs to continue and expand the volume of terms and definitions.

2. <u>The observations of questionnaire respondents reflected a concern for the continued development of the contracting discipline.</u> [Ref. 1: p. 79] [Ref. 4: p. 72] [Ref. 5: p. 65]

The questionnaires provided many positive comments that will contribute to the body of contracting knowledge. A few comments regarding the importance of the overall

dictionary research effort were also received. Many respondents requested copies of this thesis research and the dictionary upon project completion.

3. <u>There is no universal agreement concerning the meaning of most contracting terms.</u> [Ref. 1: p. 80] [Ref. 4: p. 72] [Ref. 5: p. 65]

The researcher was quite surprised at the number of comments provided for what had been considered simple, clear-cut definitions. There were many examples in which the respondent's understanding of a term's meaning and usage was completely different from the synthesized definition. Even the terms with the highest degree of corroboration had valid comments by respondents in disagreement. This further outlines the need for a comprehensive dictionary of contracting terms.

4. <u>The procedure used in this thesis to achieve consensus on term definitions as used in contracting is valid.</u> [Ref. 1: p. 80] [Ref. 3: p.51] [Ref. 4: p. 73] [Ref. 5: p. 65-66]

The significant concurrence rates on most terms indicated this was the case. The only way to develop feasible working definitions is to involve the individuals that are directly impacted by such definitions. The iterative process of the modified Delphi Technique helped to increase the rate of approval for initially controversial definitions. Although the consensus definitions presented in this research received very high approval rates, an element of dissent remained. The problem does not appear to be one in which a term conjures up differing concepts among procurement professionals. Rather, the majority of suggestions to improve upon a definition represent one aspect of the term which specifically applies to their understanding of their own procurement environment.

This misunderstanding highlights the need for a comprehensive compilation of contracting terms.

5. The inclusion of synonyms and antonyms contributed to the thesis. [Ref. 3: p. 52] [Ref. 6: p. 52] [Ref. 7: p. 59]

Previous researchers such as Downs and Florek concluded that the inclusion of synonyms and antonyms in the questionnaires were ignored by respondents and added little to the thesis research.

The researcher disagrees with these researchers. Although few synonyms and antonyms were suggested for the 25 terms, this in itself does not indicate the lack of diligence on the part of the survey respondents. This research demonstrated that including synonyms and antonyms in the questionnaires generated a significant number of comments regarding the definition. It should also be kept in mind that many terms simply do not have commonly accepted synonyms or antonyms.

C. RECOMMENDATIONS

1. The consensus definitions derived from this research should be added to those from previous research and incorporated into the dictionary of acquisition and contracting terminology. [Ref. 3: p. 52]

The definitions contained in Chapters II and III achieved a high degree of consensus even though the majority of the terms generated numerous comments. At least 80% of the individuals who responded to each of these terms agreed with the definition. The overwhelming majority of comments were constructive in nature and involved word adjustments to achieve clarification or subtle connotative improvements. Based upon this

high concurrence rate, the definitions are considered acceptable and ready to be published in a dictionary of acquisition and contracting terms.

2. Continue to define terms from the master list of acquisition and contracting terms in subsequent research with the methodology utilized in this effort.

The researcher believes that the master list of terms provides an excellent resource to choose terms for the thesis project. Definitions should continue to be synthesized by utilizing a review of literature to develop an initial definition. These definitions should then be subjected to the research procedure in order to develop a consensus definition.

Additionally, subsequent research needs to be conducted regarding the research methods that have been used for this study as well as previous theses. [Ref. 3: p. 53] Specific areas of analysis should include:

a. Delphi Technique. The modified Delphi Technique that has been used for this study and other related studies should be closely examined. Is it an appropriate method for this type of study? If so, why? Would a more conventional Delphi method be more appropriate for the purpose of this study? If so, what changes to the procedures would be necessary? What might we learn from similar studies that have been done using the conventional Delphi Technique?

b. Scaling Technique. Is the scaling technique used in this study the most appropriate for a study of this type? If so, why? How might the quantitative data gathered via the scales be used more effectively for these studies?

c. Sample Size. What is the appropriate sample size for these studies? A rationale should be established for the sample size based on the research designed.

3. Continue to use a limited number of terms (12-13) and three separate questionnaires via e-mail to NCMA professionals.

This procedure produced a relatively high response rate. However, an initial group of two hundred or more acquisition and contracting professionals would possibly yield an even higher rate. Using only NCMA members generated more professional comments from those individuals who are currently working in the field, which utilizes their experience and expertise.

4. Standardize the procedure for determining agreement or disagreement with a term's definition. [Ref. 3: p. 53]

The researcher feels strongly that in order to make a valid comparison of approval rates between research efforts, standard procedures and terminology should be used. As mentioned above, the modified Delphi Technique that has been used in this study as well as previous related studies should be carefully analyzed. A detailed analysis of the procedures could establish an appropriate strategy for standardization.

5. Future research questionnaires should be followed up with a reminder e-mail. [Ref. 3: p. 54]

The researcher sent a reminder e-mail one week to ten days after the initial questionnaire. This proved to be a valuable tool in generating responses. The first questionnaire was sent to 100 participants. A reminder letter was sent to approximately one-half of those individuals and an overall return rate of 51% was obtained. The second- and third-round questionnaires were followed up by letters to all of the individuals participating and the response rates were 85% and 86%, respectively.

6. Allow ample time for data collection and analysis. [Ref. 3: p. 54]

It took approximately six months to gather analyze, and report the data. Subsequent researchers should take this into consideration. The development, printing, and electronic mailing (even though quicker than the United States Postal Service) of the three research questionnaires takes considerable time. In addition, the researcher must allow time for the participants' responses and the analysis of responses.

D. RESEARCH QUESTION ANSWERS

The subsidiary research questions were:

1. What agreement can be reached from professionals in the field?

2. What definition of terms can be concluded from research and feedback?

3. Is the modified Delphi Technique useful for fine-tuning acquisition and contracting terms?

This research demonstrated that although not complete, substantial agreement can be reached from professionals in the field. The modified Delphi Technique provided the researcher with valuable feedback that was an essential part of this research process.

The primary research question was: To what extent can standard meanings be arrived at in the evolving field of contracting in which words are used with various meanings?

Lieutenant Commander Ryan's answer to the same thesis question is still valid:

> A 100 percent agreement on an exact definition for any given contracting term is not likely to occur, but a definition which represents a consensus can occur with success as demonstrated by the results of this thesis. Definition consensus is realistically achievable in a fixed amount of time utilizing published definitions and glossary "explanations" as the basis for synthesized definitions which can be subjected to criticism of a representative body of practitioners. [Ref. 1: p. 83]

It is possible for acquisition and contracting professionals to develop a consensus working definition for acquisition and contracting terms. This is indicated by the excellent comments and recommendations that the questionnaire terms generated, as well as the numerous positive comments received on the overall research effort. As previous studies found, this study found an aura of skepticism from some of the respondents. [Ref. 7: p. 62] It is definitely possible to develop a standardized dictionary of acquisition and contracting terms; however, it may prove difficult to find an acceptance and usage of such a dictionary.

E. GENERAL COMMENTS

This research has proved to be a valuable learning experience for the researcher. The researcher has enjoyed the opportunity to work with acquisition and contracting professionals, review published contracting literature, execute the definition synthesis process, and review comments and recommendations from professionals with varied backgrounds and a multitude of work experiences.

F. SUMMARY

This chapter offered conclusions and recommendations regarding this research effort as well as answering the research question. Hopefully, this will benefit those who do subsequent research in this area. A standard dictionary of acquisition and contracting terms would be a major contribution to the procurement community. The results of this thesis should bring this dictionary a step closer to becoming a reality. The researcher's involvement in this challenging project has definitely been worthwhile.

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APPENDIX A. PUBLISHED DEFINITIONS

This appendix provides the published definitions of the 25 terms, which were used in the development of the initial questionnaires. The following terms were researched:

SURVEY A

- Arbitration
- Best Value
- Buy Out
- Caucus
- Compromise
- Consideration
- Cost Risk
- First Article
- Liquidated Damages
- Partnering
- Past Performance
- Solicitation
- Unsolicited Proposal

ARBITRATION

1. The process by which the parties to a dispute submit their differences to the judgment of an impartial person or group appointed by mutual consent or statutory provision. [Ref. 8]

2. Procedure whereby a dispute is referred to one or more impartial persons (selected by the disputing parties) for a final and binding determination. [Ref. 9: p. GL-2]

3. A professional arbitrator will hear testimony and study evidence from both sides, then make an impartial decision based on the facts. [Ref. 10: p. 710]

Initial Definition:

An Alternative Dispute Resolution (ADR) technique in which the parties to a dispute submit their differences to an impartial person or group appointed by mutual consent or statutory provision for a final and binding determination or judgment, most generally associated with ADR.

BEST VALUE

1. This is a source selection technique that evaluates factors other than cost, such as past performance, so that award can be made to someone other than the lowest priced offeror if in the best interest of the government. [Ref. 11: p. 22]

2. A common formula for best value is "cost (to produce a product or service, both direct and indirect) plus profit (markup) equals price." [Ref. 12: p. 2]

3. This process involves the use of one's subjective business judgment to make a series of quantitative and qualitative trade-offs among such factors as technical capability, past performance, life cycle costs, delivery schedule, risk, level of quality, warranty terms, level of subcontracting, environmental impact, and maintenance expense. [Ref. 12: p. 2]

4. The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives. Participants in the acquisition process should work together as a team and should be empowered to make decisions within their area of responsibility. [Ref. 13]

5. This is a process used in competitive, negotiated contracting to select the most advantageous offer by evaluating and comparing factors in addition to cost or price strategy through tradeoffs which may be made between cost and non-cost evaluation factors. It should result in award that will give the Government the greatest or best value for its money. [Ref. 14]

Initial Definition:

A source selection technique which utilizes a series of quantitative and qualitative trade-offs by evaluating factors in addition to cost such as technical capability, past performance, delivery schedule, risk, level of quality, warranty terms, level of contracting, environmental impact and maintenance.

BUY-OUT

1. To buy all the stock, assets, or business rights, in a company. [Ref. 15: p. 161]

2. Awarding a contract for all forecasted production requirements to a single contractor. Usually done towards the end of a production cycle or to acquire spare parts when a sole source contractor goes out of business. [Ref. 15: p. 161]

3. A program buy out typically occurs after a series of annual competitions and involves the award of all remaining production to the winner of a final competition, even if the remaining items are to be produced over several years. [Ref. 7: p. 76]

Initial Definition:

To award a contract for all forecasted production requirements to a single contractor. Usually occurs at the end of a life cycle or to acquire spare items when a sole source contractor goes out of business.

CONSIDERATION

1. Something of value given in exchange for a promise to make that promise binding. [Ref. 16: p. 19]

2. An inducement to contract. [Ref. 16: p. 19]

3. In a contractual relationship, something of value given to one party when the other party does not precisely meet its contractual obligation. [Ref. 16: p.190]

4. Careful thought; deliberation [Ref. 8]

5. A factor to be considered in forming a judgment or decision [Ref. 8]

6. Payment given in exchange for a service rendered; recompense [Ref. 8]

7. Something promised, given or done that has the effect of making an agreement a legally enforceable contract. [Ref. 8]

8. Anything of value, generally time and/or money, given as an inducement to enter or amend a contract, also an essential element of a valid contract. [Ref. 17: p. 127]

9. A legal term used in contracts to denote the passing of some benefit to one party to the detriment of the other. It need not be money, but can be expressed as additional delivery time, speeded up deliveries, improved work or scope, or something advantageous to the recipient benefiting him contractually by its performance, (or failure to perform if detrimental.) [Ref. 18: p. 11]

Initial Definition:

A legal term used in contracts to denote the passing of some benefit to one party in exchange for a benefit to the other. It may consist of money, additional delivery time, faster deliveries, improved work or scope, or something advantageous to the recipient benefiting them contractually by its performance.

COST RISK

1. An assumption of possible monetary loss or gain in light of the job or work to be done. One of the elements to be considered in the negotiation of a fair and reasonable price and in determining the type of contract under which performance will occur. [Ref. 19: p. 260] [Ref. 20: p. 102]

2. The degree of uncertainty in an undertaking. It is a function of the likelihood of consequential events occurring and the consequences of the events on the objectives. [Ref. 15: p. 178]

Initial Definition:

An element to be considered when negotiating a fair and reasonable price and in determining contract type due to the possible monetary loss or gain in light of the work to be completed.

FIRST ARTICLE

1. A model, unit, lot, or sample used for testing and determining conformance to specified contract requirements before or in the initial stage of production of a contract. [Ref. 21: p. 137]

2. A model, unit, lot or sample manufactured under normal production conditions either before or during the initial stages of a contract production, which is used to test for contract conformance. [Ref. 16: p. 20]

3. A model, unit, lot, or sample manufactured under normal production conditions either before or during the initial stages of contract production, which is used to test for conformance to contract specifications and is representative of what will be produced in future units. [Ref. 22: p. 174]

4. Preproduction models, initial production samples, test samples, first lots, or pilot samples submitted for testing and evaluation for conformance with specified contract requirements before or in the initial stages of production. [Ref. 4: p. 83]

4. Used to identify a model, initial production sample, test sample, first lot, pilot lot, or pilot model produced by a contractor. Often used to specify the testing and evaluating requirement of a contract. [Ref. 4: p. 83]

5. Includes production samples, preproduction samples, preproduction models, test samples, test lots, pilot models, and pilot lots. Approval of the first article includes testing and evaluation of the article for conformance with specified contract requirements before or in the initial stage of production under a contract. Often called a preproduction sample, which must be approved before production is allowed to continue. [Ref. 4: p. 83]

Initial Definition:

A model, unit, lot, or sample manufactured under normal production conditions either before or during the initial states of contract production, which is used to test for conformance to contract specifications and is representative of what will be produced in the future.

LIQUIDATED DAMAGES

1. Damages provided under a contract in a sum certain to be awarded to the Government if a contractor fails to perform as agreed. [Ref. 9: p. GL-15]

2. Provisions used when the time of delivery or performance is of such importance that the government may reasonably expect to suffer damages if the delivery of performance is delinquent. The provision provides for the assessment of damages on the contractor for his/her failure to comply with certain contract performance or delivery requirements when the extent or amount of such damages would be difficult or impossible to determine. [Ref. 19: p. 264]

3. Provisions that are stipulated in advance what procedures are to be used in determining costs and damages if there is a breach of contract. [Ref. 10: p. 708]

4. A provision that represents prior agreement by both parties on the ground rules to be followed in case the contract is breached. [Ref. 10: p. 709]

Initial Definition:

Provisions that stipulate in advance the procedures that are to be used in determining costs and damages if there is a breach of contract. The provision provides for the assessment of damages on the contractor for his/her failure to comply with delivery or performance requirements when the extent or amount of such damages would be difficult or impossible to determine.

PARTNERING

1. An arrangement in which
   (a) two or more companies form a partnership or joint venture to act as a potential prime contractor; or
   (b) a potential prime contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program; or
   (c) an agreement for a joint proposal resulting from a normal prime contractor-subcontractor, licensee-licenser, or leader company relationship. [Ref. 23: p. E-14]

2. The written documentation for such an arrangement. [Ref. 23: p. E-14]

3. Long-term commitment between two or more organizations for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources. [Ref. 24: p. 8]

4. A concept whereby Government and industry design a method of operation which will guide them through the contract. A Partnering Charter agreed to by the parties outlines anticipated problem issues and describes the resolution processes to be used. [Ref. 13]

Initial Definition:

A concept whereby Government and industry develop a long-term commitment for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

PAST PERFORMANCE

1. This information is an indicator of an offeror's ability to perform the contract. [Ref. 13]

2. This information may include the number and severity of an offeror's problem, the effectiveness of corrective actions taken, the offeror's overall work record, and the age and relevance of the past performance record. [Ref. 13]

3. This is relevant data regarding a contractor's actions under previously awarded contracts. It includes the contractor's record of (1) conforming to specifications and standards of good workmanship; (2) containing and forecasting costs on any previously performed cost reimbursable contracts; (3) administrative aspects of performance; (4) history for reasonable and cooperative behavior, and (5) commitment to customer satisfaction and business-like concern for interests of the customer. [Ref. 14]

Initial Definition:

An indicator of an offeror's ability to perform a contract. It is used to evaluate contract performance and as a factor in source selection for new contracts.

SOLICITATION

1. A document which notifies prospective bidders or offerors that a buyer wishes to receive bids, quotes, or proposals on a set of requirements to provide supplies, services, or construction. [Ref. 15: p. 179]

2. The practice or act of notifying prospective bidders or offerors that a buyer wishes to receive bids, quotes, or proposals on a set of requirements to provide supplies, service, or construction. (The process might consist of public advertising , mailing an invitation for bids or request for proposal/quotations, posting notices, or telephone calls to prospective vendors.) [Ref. 15: p. 179]

3. An oral or written request for a response to a bid, to a Request for Quotation (RFQ), or to a Request for Proposal (RFP), etc. The solicitation usually will contain all the necessary information upon which to base a price and the terms and conditions of any resulting type of contract. [Ref. 18: p. 62]

4. A document requesting or inviting offerors to submit offers. Solicitations basically consist of (a) a draft contract and (b) provisions on preparing and submitting offers. [Ref. 25: p. 21]

Initial Definition:

The practice of notifying prospective offerors that a buyer wishes to receive bids, quotes, or proposals on a set of requirements to provide supplies, service, or construction.

SOUND BUSINESS PRACTICE

1. Phrase used as a measure of reasonableness in assessing an offer or counter-offer or other action taken under a contract. Related to making a procurement decision based on sound fiduciary or business principles. [Ref. 26: p.44]

2. Phrase used as a measure of reasonableness in assessing an offer, counter-offer or other contractual action. Relates to making a procurement decision based on sound fiduciary or business principles. [Ref. 22: p.110]

Initial Definition:

Phrase used as a measure of reasonableness in assessing an offer or counter-offer or other action taken under a contract. Related to making a procurement decision based on sound fiduciary or business principles.

SURVEY B

- Attrition rate
- Cost Growth
- Deadlock
- Electronic Data Interchange (EDI)
- Factfinding
- Learning Curve
- Not-to-Exceed (NTE)
- Outsourcing
- Profit
- Proposal
- Sound Business Practice
- Weighted Guidelines

ATTRITION RATE

1. The loss of a resource due to natural causes in the normal course of events, such as a turnover of employees or spoilage and obsolescence of material. [Ref. 19: p. 254]

2. A gradual diminution in number or strength because of constant stress. [Ref. 8]

Initial Definition:

The loss of a resource due to natural causes in the normal course of events such as spoilage and obsolescence of materials.

CAUCUS

1. In negotiations, a break or brief cessation of the proceedings to allow the negotiator or negotiation team to review a position in private. Generally lasts from a few minutes to a few hours. [Ref.19: p. 258]

Initial Definition:

In negotiations, a break or brief cessation of the proceedings to allow the negotiators or negotiation teams to review a position in private, generally lasting from a few minutes to a few hours.

COMPROMISE

1. The give and take process in negotiations characterized by concessions or adjustment of objectives in order to reach agreement. Splitting the difference in price is often considered a compromise. [Ref. 19: p. 257]

2. A settlement of differences in which each side makes concessions. [Ref. 8]

3. Something that combines qualities or elements of different things. [Ref. 8]

4. A concession to something detrimental or pejorative. [Ref. 8]

Initial Definition:

A settlement of differences in which each side makes concessions or adjustments of objectives in negotiations in order to reach an agreement.

COST GROWTH

1. A term related to the net change of an estimated or actual amount over a base figure previously established. The base must be relatable to a program, project or contract and be clearly identified including source, approval authority, specific items included, specific assumptions made, date and the amount. [Ref. 19: p. 259]

Used the above as the initial definition.

DEADLOCK

1. A position reached during negotiations from which the two parties are unable to move forward to an agreement. [Ref. 19: p. 263]

2. A standstill resulting from the opposition of two unrelenting forces or factions. [Ref. 8]

3. To bring or come to a standstill. [Ref. 8]

Initial Definition:

A position reached during negotiations from which the two parties are unable to move forward to an agreement.

ELECTRONIC DATA INTERCHANGE (EDI)

1. Direct computer-to-computer exchange of data that is machine readable and processable using a public standard. DoD is committed to the use of EDI to improve the quality and timeliness of program management data, establish consistent methods, and streamline processes and procedures. [Ref. 14]

2. The direct electronic transmission, computer to computer, of standard business forms between two organizations. In a purchasing environment, documents are transmitted "over the wire," eliminating the need to generate hard copies and to distribute them manually, By utilizing EDI, a buyer and a supplier are operating in a near real-time environment, which can reduce material delays be shortening procurement lead times. [Ref. 10: p.103]

Initial Definition:

The direct electronic transmission, computer to computer, of data that are machine readable and processable using a public standard between two organizations.

FACTFINDING

1. The process of identifying and obtaining information necessary to complete the evaluation of proposals. This may include factfinding sessions with offerors. [Ref. 27: p.15-17, 15-18]

2. Discovery or determination of facts or accurate information. [Ref. 8]

3. Of, relating to, or used in the discovery or determination of facts. [Ref. 8]

Initial Definition:

The process of identifying and obtaining information necessary to complete the evaluation of proposals.

LEARNING CURVE

1. A tool of calculation used primarily to project resource requirements, in terms of direct manufacturing labor hours or the quantity of material (for this purpose, usually referred to as an improvement curve) required for a production run. Used interchangeably with the term Improvement curve, the concept of a learner's curve was adopted from the observation that individuals who perform repetitive tasks exhibit a rate of improvement due to increased manual dexterity. Learning or improvement curve theories include the following;
    - The Boeing or unit curve theory: As the total quantity of units produced double, the cost per unit decreases by some constant percentage (the rate of learning).
    - The Northrop or cumulative average theory: As the total quantity of units doubles, the average cost per unit decreases by some constant percentage (the rate of learning). [Ref.19: p. 264]

2. A graph that depicts rate of learning, especially a graph of progress in the mastery of a skill against the time required for such mastery. [Ref. 8]

3. An empirical relationship between the number of units produced and the number of labor hours required to produce them. [Ref. 10: p. 321]

4. A quantitative method for projecting resource requirements, typically expressed as labor hours or material quantities, based on the observation that as an effort is repetitively performed there is a constant percentage decrease in the resources required. [Ref. 2: p. 97]

5. A mathematical way to explain and measure the rate of change of cost (in hours or dollars) as a function of quantity. [Ref. 2: p. 75]

6. A graph that shows improvement in the performance of a task, by an individual or a group, as it is repeated and more is learned about it., [Ref. 2: p. 75]

7. A graphic representation of the measured changes at successive units of practice. [Ref. 2: p. 75]

Initial Definition:

A tool of calculation used primarily to project resource requirements, in terms of some measurable unit, such as direct manufacturing labor hours or the quantity of material required for a production run. The term is used to characterize an empirical relationship between the number of units produced and the number of labor hours required to produce them.

OUTSOURCING

1. Services which are not at the core of the organization's competencies, such as management information systems, payroll, travel services, and delivery services are being provided by service suppliers. These suppliers provide the services at the same or higher quality level than the purchasing firm and at a lower total cost. [Ref. 10: p. 409]

2. The transfer of a function previously performed in-house to an outside provider. [Ref. 14]

Initial Definition:

The transfer of services previously performed in-house to an outside provider.

NOT-TO-EXCEED (NTE)

1. An agreed upon amount, possible subject to later negotiation, beyond which the buyer is not liable. If later negotiated, the price/cost may only be adjusted downward. [Ref. 19: p. 266]

2. A dollar limit set on a contract when the contractor begins work on a project or contractual amendment (e.g., a change order) before price negotiations are completed. The final price negotiated for the contract cannot be greater than the not-to-exceed price. [Ref. 20: p. 102]

Initial Definition:

An agreed upon amount between a buyer and seller, possibly subject to later negotiation, beyond which the buyer is not liable. If later negotiated, the price/cost may only be adjusted downward.

PROFIT

1. Money paid to a contractor over and above total reimbursements for allowable costs. [Ref. 27: p. 15-38]

2. The net proceeds from selling a product or service when costs are subtracted from revenues. May be positive (profit) or negative (loss). Generally characterized as the basic motive of business enterprise. Also known as the entrepreneurial return for undertaking various levels of risk; on occasion referred to as "the wages of risk." In contract pricing, profit represents a projected or known monetary excess realized by a producer or performer after the deduction of cost (both direct and indirect) incurred or to be incurred in the performance of a job, task, or series of the same. [Ref. 19: p. 267]

3. An advantageous gain or return; benefit. [Ref. 8]

4. The return received on a business undertaking after all operating expenses have been met. [Ref. 8]

5. The amount received for a commodity or service in excess of the original cost. [Ref. 8]

6. Any amounts made by the Contractor above his total actual costs. The term 'fee' is used in lieu of profit when referring to cost-reimbursement type contracts. Frequently called 'bottom line'. (Ref. 1: p. 106]

7. Most commonly, the gross proceeds of a business transaction less the costs of the transaction; i.e., net proceeds. Excess of revenues over expenses for a transaction; sometimes used synonymously with net income for the period. Gain realized from business or investment over and above expenditures. [Ref. 1: p. 106]

Initial Definition:

The net proceeds from selling a product or service when costs are subtracted from revenues. Generally characterized as the basic motive of business enterprise. In contract pricing, profit represents an excess of revenues over and above total reimbursements for allowable costs in contract performance.

PROPOSAL

1. Any offer or other submission used as a basis for pricing a contract, contract modification, or termination settlement or for securing payments thereunder. [Ref. 27: p. 31-3]

2. A plan that is proposed. [Ref. 8]

Initial Definition:

Any offer or other submission used as a basis for pricing a contract, contract modification, or termination settlement or for securing payments thereunder.

UNSOLICITED PROPOSAL

1. A proposal submitted to a buyer by a prospective contractor without prior formal or informal solicitation from the buyer. [Ref. 19: p. 270]

2. A proposal that is not looked for or requested; unsought. [Ref. 8]

3. A written proposal that is submitted to a potential buyer on the submitter's initiative for the purpose of obtaining a contract with the buyer. It is not in response to a formal solicitation. [Ref. 5: p. 107]

4. A written proposal that is submitted to an agency on the initiative of the submitter for the purpose of obtaining a contract with the Government and which is not in response to a formal or informal request (other than an agency request constituting a publicized general statement of needs) [Ref. 5: p. 85]

5. Proposals submitted not in response to solicitation but rather an awarding body at the initiative of a potential contractor who suggests an area that he believes will be of interest to the entity. They are a primary method by which the Government obtains creative ideas for satisfying basic and applied research programs. [Ref. 5: p. 85]

6. A research or development proposal which is made to the Government by a prospective contractor without prior formal or informal solicitation from a purchasing activity. [Ref. 5: p. 86]

7. Voluntary proposals from a non-Federal source for products or services to meet unexpressed or unassumed government needs. They may be offered in response to program announcement of opportunities. When evaluated, they meet an identified but valid need and result in noncompetitive awards. [Ref. 5: p. 86]

Initial Definition:

A written proposal that is submitted to a potential buyer on the submitter's initiative, not in response to a formal solicitation, for the purpose of obtaining a contract with the buyer.

WEIGHTED GUIDELINES

1. The DoD structured approaches for determining profit or fee pre-negotiation objectives. [Ref. 25: p. 25]

2. A technique the Government uses to insure consideration of the relative value of appropriate profit factors in establishing a profit objective and conducting negotiations. Also used as a basis for documenting and explaining the final pricing agreement reached between buyer and seller. Appropriate profit factors include contractor's performance, contractor's risk, and facilities capital investment. [Ref. 19: p. 271]

3. A structured approach for developing profit or fee negotiation objectives that provides a format for consideration of the relative value of performance risk, contract type risk, and facilities capital employed. [Ref. 16: p. 22]

Initial Definition:

A technique used by the Government to ensure consideration of the relative value of appropriate profit factors in establishing a profit object and conducting negotiations. These profit factors include contractor's performance, contract type risk, and facilities capital investment.

APPENDIX B. INITIAL LETTER

This appendix contains the initial letter that was e-mailed to a group of 200 NCMA Board of Advisors, Functional Directors, and/or Chapter Presidents. Respondents from this group that stated they were interested in helping with the thesis research by participating in the survey process were then divided into two groups of 50 each.

Dear (Insert Professional's name here),

I am a student at the Naval Postgraduate School in Monterey, California and like you, a member of NCMA. I am conducting thesis research in an ongoing effort to compile a dictionary of acquisition and contracting terms. The result of previous research has been published in "Contract Management" in May and November 1991 and April 1993.

Would you be able to spare some of your valuable time to help me with this project?

The research consists of three questionnaires, sent approximately a month apart, the first is enclosed.

-- The first questionnaire consists of working definitions of approximately 12 to 13 terms. I will ask for your comments on each term as well as an example of the term in use and any known synonyms or antonyms.

-- Using the comments I receive, I will modify the working definition and repeat the process in a second questionnaire.

-- The third questionnaire will present a "smooth" definition of the terms for final review and approval.

For your convenience the whole process will be accomplished via Fax or E-Mail. I estimate that each questionnaire should take 20 to 30 minutes to review and make comments.

I really do appreciate the help you would give me in this project.

If you are willing to participate please fill out the first questionnaire and fax it to (408) 372-4710 or E-Mail to Twcolyer@aol.com. If you prefer receiving the following surveys via e-mail, please include your e-mail address on the survey.

If you are not interested or just do not have the time, please pass the survey to another contracting professional.

Thank you for your time and input.

Sincerely,

Timothy W. Colyer

APPENDIX C. SURVEY A

Appendix C contains the cover letter, questionnaire #1 and the reminder letter which were sent to a group of 50 NCMA Board of Advisors, Functional Directors, and/or Chapter Presidents.

COVER LETTER

Dear (Insert Professional's name here),

Thanks very much for agreeing to help me with my thesis research at the Naval Postgraduate School. As you may recall, I am working with Dr. David Lamm in an effort to compile a dictionary of terms that are frequently used in the Contracting and Acquisition field.

As promised, attached is a questionnaire consisting of "working definitions" of 13 terms that I would like to clarify. Please review the questionnaire and feel free to make any and all comments you believe necessary. Also, if you know of any synonyms or antonyms, please type them in the spaces provided. And what would a dictionary be without examples? If you think of a good "real life" example that would help a future reader understand the term, please include it as well.

The goal of this modified-Delphi technique is to solicit input from "experienced people" such as yourself as opposed to relying only on previously-written definitions. Therefore, please comment freely! Be assured that your response will be held in the strictest confidence... no one else will be aware of your input.

After I compile all responses into an "improved version" of each term, I will repeat this process and again ask you for your input. Assuming a reasonably fast response from all contributors, this second questionnaire should arrive about two or three weeks after I receive your initial response.

I believe that often our first response is our best response, "nitpicking an answer to death" doesn't add much to the final result. Therefore, although I know that your time is very valuable and at a great risk of "looking a gift horse in the mouth," I ask that you process this questionnaire and return it via e-mail as soon as possible.

If you have any questions, please call me at (408) 899-8894 or e-mail me at the above address. Thanks again for your contribution to this project.

Sincerely,

Timothy W. Colyer

Survey follows:

ARBITRATION

A technique in which the parties to a dispute submit their differences to an impartial person or group, appointed by mutual consent or statutory provision, for a final and binding determination or judgment, most commonly associated with the Alternative Dispute Resolution (ADR) process.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

BEST VALUE

A source selection technique which utilizes a series of quantitative and qualitative trade-offs by evaluating factors in addition to cost such as technical capability, past performance, delivery schedule, risk, level of quality, warranty terms, level of contracting, environmental impact and maintenance.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

BUY-OUT

To award a contract for all forecasted production requirements to a single contractor. Usually occurs at the end of a product's life cycle or to acquire items when a sole source contractor goes out of business.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

CAUCUS

In negotiations, a break or brief cessation of the proceedings to allow the negotiators or negotiation teams to review a position in private, generally lasting from a few minutes to a few hours.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

COMPROMISE

A settlement of differences in which each side makes concessions or adjustments of objectives in negotiations in order to reach an agreement.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

CONSIDERATION

A legal term used in contracts to denote the passing of some benefit to one party in exchange for a benefit to the other. It may consist of money, additional delivery time, faster deliveries, improved work or scope, or something advantageous to the recipient benefitting them contractually by its performance.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

COST RISK

An element to be considered when negotiating a fair and reasonable price and in determining contract type due to the possible monetary loss or gain in light of the work to be completed.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

FIRST ARTICLE

A model, unit, lot, or sample manufactured under normal production conditions either before or during the initial states of contract production, which is used to test for conformance to contract specifications and is representative of what will be produced in the future.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

LIQUIDATED DAMAGES

Provisions that stipulate in advance the procedures that are to be used in determining costs and damages if there is a breach of contract. The provision provides for the assessment of damages on the contractor for his/her failure to comply with delivery or performance requirements when the extent or amount of such damages would be difficult or impossible to determine.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

PARTNERING

A concept whereby Government and industry develop a long-term commitment for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

PAST PERFORMANCE

An indicator of an offeror's ability to perform a contract. It is used to evaluate contract performance and as a factor in source selection for new contracts.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

SOLICITATION

The practice of notifying prospective offerors that a buyer wishes to receive bids, quotes, or proposals on a set of requirements to provide supplies, service, or construction.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

UNSOLICITED PROPOSAL

A written proposal submitted to a potential buyer on the submitter's initiative, not is response to a formal solicitation, for the purpose of obtaining a contract with the buyer.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
4	3	2	1

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

This is the end of the First Survey! Thank You for your comments and your time! Please e-mail your response to: twcolyer@nps.navy.mil. THANKS AGAIN!!

REMINDER LETTER

Dear (Insert Professional's name here),

If you have not yet done so, I would really appreciate it if you could critique my first survey of Acquisition and Contracting terms in the next couple of days. (Deadline to my thesis advisor is 24 March)

As you may recall, I hope to clarify a total of 25 terms as part of my thesis work at the Naval Postgraduate School in Monterey, CA. The survey should have arrived 2 – 3 weeks ago. If you didn't receive your copy I have incorporated another into this e-mail for your convenience.

I understand if you are too busy and can not find the time to respond, if this is your situation would you please send me a quick e-mail so I do not wait on your reply.

Thank you for your time and comments!

Sincerely,

Tim Colyer

APPENDIX D. SURVEY A

Appendix D contains the cover letter and questionnaire #2 and the reminder letter which were sent to a group of 25 NCMA Board of Advisors, Functional Directors, and/or Chapter Presidents.

COVER LETTER

Dear (Insert Professional's name here),

Thank you very much for helping with my thesis research at the Naval Postgraduate School. Included in this e-mail is the second survey. While every comment may not be evident in each definition, each and every response was considered and a consensus definition was developed.

Again, I realize your time is valuable. I would appreciate it if you could return the survey to me by April 10, 1997, your input is important! This will allow for a synthesis of the definitions of the second survey and the final survey to be sent out by mid April.

If you have any questions, please call me at (408) 899-8894. You can return the survey via e-mail at the above address or fax to (408) 372-4710. Thanks again for your contribution to this project. I look forward to your comments!

Sincerely,

Tim Colyer

Survey Follows:

ARBITRATION

A technique in which the parties to a dispute submit their differences to an impartial person or group, appointed by mutual consent or statutory provision, for a final and binding determination or non-binding advisory determination, commonly associated with the Alternative Dispute Resolution (ADR) process.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

BEST VALUE

A source selection technique which utilizes a series of quantitative (objective) and qualitative (subjective) trade-offs by evaluating factors in addition to cost, such as technical capability, past performance, delivery schedule, risk, level of quality, warranty terms, environmental impact and maintenance and management to determine which bid is most advantageous to the Government.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Best Source,***

Antonyms:

BUY-OUT

To award a contract for all forecasted production requirements to a single contractor. Usually occurs at the end of a product's life cycle or to acquire items when a sole source contractor goes out of business.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

CAUCUS

In negotiations, a break or cessation of the proceedings to allow the negotiators or negotiation teams to review and decide a position in private, relieve stress when the tension is too high, throw the other team off stride, or make quick decisions or consensus in order to keep the negotiations moving.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

COMPROMISE

A settlement of differences in which each side makes concessions or adjustments of objectives in negotiations in order to reach an agreement.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

CONSIDERATION

A legal term used in contracts to agree to do (or not to do) an act which is not otherwise legally required in exchange for the passing of some benefit to one party in exchange for a benefit to the other. It may consist of money, schedule allowance, faster deliveries or something to the Party's benefit.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

COST RISK

An element to be considered when negotiating a fair and reasonable price, and in determining contract type, due to the degree of uncertainty expected and the possible monetary loss or gain to either party in light of the nature of the work to be completed.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

FIRST ARTICLE

A model, unit, lot, or sample manufactured under normal production conditions usually before the initial stages of contract production, which is used to test for conformance to contract specifications and is representative of what will be produced in the future.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
4	3	2	1

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

LIQUIDATED DAMAGES

An advanced provision, that stipulates the procedures to be used in determining the assessment of reasonable damages on the contractor, for failure to comply with delivery or performance requirements, when the extent or amount of such damages would be difficult or impossible to precisely determine at the time of contract formation.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
4	3	2	1

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

PARTNERING

A concept whereby two or more organizations develop a commitment and working relationship for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Joint Venture, Teaming***

Antonyms:

PAST PERFORMANCE

A history of an offeror's ability to perform a contract. It is used as an indicator of potential contract performance and as such is a factor in source selection for new contracts.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms: ***IFB***

SOLICITATION

A method of notifying prospective offerors that a buyer wishes to receive bids, quotes, or proposals on a set of requirements to provide supplies or services.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***RFP, IFB, RFQ, Broad Agency Announcements, Notices***

Antonyms:

UNSOLICITED PROPOSAL

A written proposal submitted to a potential buyer, not in response to a formal solicitation, for the purpose of obtaining funding from the buyer.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms: ***RFP***

This is the end of the Second Survey! Thank You for your comments and your time!
Please e-mail your response to: twcolver@nps.navy.mil or Fax to (408) 372-4710.

THANKS AGAIN!!

REMINDER LETTER

14 April 1997

Dear (Insert Professional's name here),

If you have not yet done so, I would really appreciate it if you could critique my second survey of Acquisition and Contracting terms in the next couple of days. (Deadline to my thesis advisor is 15 April).

As you may recall, I hope to clarify a total of 25 terms as part of my thesis work at the Naval Postgraduate School in Monterey, CA. The survey should have arrived seven to ten days ago. If you didn't receive your copy I have incorporated another into this e-mail for your convenience.

I understand if you are too busy and can not find the time to respond, if this is your situation would you please send me a quick e-mail so I do not wait on your reply.

Thank you for your time and comments!

Sincerely,

Tim Colyer

APPENDIX E. SURVEY A

Appendix E contains the cover letter and questionnaire #3 and the reminder letter which were sent to a group of 22 NCMA Board of Advisors, Functional Directors, and/or Chapter Presidents.

COVER LETTER

Dear (Insert Professional's name here),

Thank you very much for your continued help with my thesis research at the Naval Postgraduate School. Included in this e-mail is the third and final survey. Again, each and every comment was considered and a consensus definition was developed. We feel that the synthesized definition is pretty close to what is being used in the Acquisition and Contracting field. But, if you should disagree please make comments as before.

I realize that your time is valuable. However, since this is the final survey please spend some time considering synonyms, antonyms, and examples if you have not already done so. A final synthesis of the definitions will be completed after all responses are received. If you are interested in the final outcome of the definitions or would like a copy of the thesis, please indicate your desires and address on your final survey.

My deadline to Dr. Lamm is 01 May, I would appreciate if you could get your comments back to me by Saturday 27 April.

Your input is important! If you have any questions, please call me at (408) 899-8894. Please return the survey via e-mail at the above address or fax to (408) 372-4710. Thanks again for your contribution to this project. It has been a pleasure working with all of you and I look forward to your final comments.

Sincerely,

Tim Colyer

Survey Follows:

ARBITRATION

A technique in which the parties to a dispute submit their differences to an impartial person or group, appointed by mutual consent or statutory provision, for a final and binding determination or non-binding advisory determination, commonly associated with the Alternative Dispute Resolution (ADR) process.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Private Adjudication***

Antonyms: ***Negotiation, Agreement***

Example(s):

BEST VALUE

A source selection technique which utilizes a series of quantitative (objective) and qualitative (subjective) trade-offs by evaluating factors in addition to cost, such as technical capability, past performance, delivery schedule, risk, level of quality, warranty terms, environmental impact and maintenance and management to determine which bid is most advantageous to the buyer.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Best Source, Blue Ribbon Contractor, Value for Money, Greatest Value***

Antonyms: ***Bad Value, Poor Return***

Example(s):

BUY-OUT

To award a contract for all forecasted production requirements to a single contractor. Usually occurs at the end of a product's life cycle or to acquire items when a sole source contractor/supplier goes out of business.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

CAUCUS

In negotiations, a break or cessation of the proceedings to allow the negotiators or negotiation teams to meet privately for multiple reasons.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Break***

Antonyms: ***Continuous Negotiations***

Example(s):

COMPROMISE

A settlement of differences in which each side makes concessions or adjustments of objectives in negotiations in order to reach an agreement.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Accommodation, Accord, Trade-off, Deal***

Antonyms:

Example(s):

CONSIDERATION

A legal term used in contracts to agree to do (or not to do) an act which is not otherwise legally required in exchange for the passing of some benefit to one party in exchange for a benefit to the other. It may consist of money, schedule allowance, faster deliveries or something to the parties' benefit.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: Trade, Compensation, Exchange, Recompense

Antonyms:

Example(s):

COST RISK

An element to be considered when negotiating a fair and reasonable price, and in determining contract type, due to the degree of uncertainty estimated and the possible monetary loss or gain to either party in light of the nature of the work to be completed.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Uncertainty***

Antonyms: ***Certainty***

Example(s):

FIRST ARTICLE

A model, unit, lot, or sample manufactured under normal production conditions usually before the initial stages of contract production, which is used to test for conformance to contract specifications and is representative of what will be produced under that contract.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***First Piece, Proof Part***

Antonyms: ***Prototype, Bread Board Model, Engineering Shop Model***

Example(s):

LIQUIDATED DAMAGES

An contract provision or clause that stipulates the procedures to be used in determining the assessment of reasonable damages to be paid by the contractor, for failure to comply with delivery or performance requirements. Used when the extent or amount of such damages would be difficult or impossible to precisely determine at the time of contract formation.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

PARTNERING

A method whereby two or more organizations develop a commitment and working relationship for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Teaming, Cooperative Relationship***

Antonyms: ***Adversarial Relationship, Arms Length Relationship***

Example(s):

PAST PERFORMANCE

An evaluation of an offeror's contractual performance to be used as an indicator of future contract performance. It can be used either as a responsibility determination factor or a source selection factor, or both.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Contractor Performance Assessment Report (CPAR), Track Record***

Antonyms: ***Future Performance***

Example(s):

SOLICITATION

A method of notifying prospective offerors that a buyer wishes to receive bids, quotes, or proposals on a set of requirements to provide supplies or services.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***RFP, IFB, RFQ, Broad Agency Announcements, Notices, Invitation to Tender***

Antonyms: ***Market Survey Inquiry***

Example(s):

UNSOLICITED PROPOSAL

A written proposal submitted to a potential buyer, not in response to a formal solicitation, for the purpose of obtaining a contract from the buyer.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Unsolicited Offer, Innovative Proposal***

Antonyms: ***RFP, Solicited Proposal***

Example(s):

This is the end of the Third and Final Survey! Thank You for your comments and your time! Please e-mail your response to: twcolver@nps.navy.mil or Fax to (408) 372-4710.

REMINDER LETTER

Dear (Insert Professional's name here),

If you have not yet done so, I would really appreciate it if you could critique my third and final survey of Acquisition and Contracting terms in the next couple of days. (Deadline to my thesis advisor is 01 May)

As you may recall, I hope to clarify a total of 25 terms as part of my thesis work at the Naval Postgraduate School in Monterey, CA.

The survey should have arrived five to seven days ago. If you didn't receive your copy I have incorporated another into this e-mail for your convenience.

I understand if you are too busy and can not find the time to respond, if this is your situation would you please send me a quick e-mail so I do not wait on your reply.

It has been a pleasure working with you. I look forward to your final comments!

Thank you for your time and help with my thesis project!

Sincerely,

Tim Colyer

APPENDIX F. SURVEY B

Appendix F contains the cover letter, questionnaire #1 and the reminder letter for Survey B which were sent to a group of 50 NCMA Board of Advisors, Functional Directors, and/or Chapter Presidents.

COVER LETTER

Dear (Insert Professional's name here),

Thanks very much for agreeing to help me with my thesis research at the Naval Postgraduate School. As you may recall, I am working with Dr. David Lamm in an effort to compile a dictionary of terms that are frequently used in the Contracting and Acquisition field.

As promised, attached is a questionnaire consisting of "working definitions" of 12 terms that I would like to clarify. Please review the questionnaire and feel free to make any and all comments you believe necessary. Also, if you know of any synonyms or antonyms, please type them in the spaces provided. And what would a dictionary be without examples? If you think of a good "real life" example that would help a future reader understand the term, please include it as well.

The goal of this modified-Delphi technique is to solicit input from "experienced people" such as yourself as opposed to relying only on previously-written definitions. Therefore, please comment freely! Be assured that your response will be held in the strictest confidence… no one else will be aware of your input.

After I compile all responses into an "improved version" of each term, I will repeat this process and again ask you for your input. Assuming a reasonably fast response from all contributors, this second questionnaire should arrive about two or three weeks after I receive your initial response.

I believe that often our first response is our best response, "nitpicking an answer to death" doesn't add much to the final result. Therefore, although I know that your time is very valuable and at a great risk of "looking a gift horse in the mouth," I ask that you process this questionnaire and return it via e-mail as soon as possible.

If you have any questions, please call me at (408) 899-8894 or e-mail me at the above address. Thanks again for your contribution to this project.

Sincerely,

Timothy W. Colyer

Survey follows:

ATTRITION RATE

The loss of a resource due to natural causes in the normal course of events such as spoilage and obsolescence of materials.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

COST GROWTH

A term related to the net change of an estimated or actual amount over a base figure previously established. The base must be relatable to a program, project or contract and be clearly identified including source, approval authority, specific items included, specific assumptions made, date and the amount.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

DEADLOCK

A position reached during negotiations from which the two parties are unable to move forward to an agreement.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

ELECTRONIC DATA INTERCHANGE (EDI)

The direct electronic transmission, computer to computer, of data that are machine readable and processable using a public standard between two organizations.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

FACTFINDING

(i) During the procurement process, it is the action of identifying and obtaining information necessary to complete the evaluation of proposals, and most particularly in preparation for contract negotiations; or
(ii) A technique of Alternate Dispute Resolution (ADR) where a third party attempts to reduce or eliminate conflict concerning factual, rather than legal matters.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

LEARNING CURVE

A tool of calculation used primarily to project resource requirements, in terms of some measurable unit, such as direct manufacturing labor hours or the quantity of material required for a production run. The term is used to characterize an empirical relationship between the number of units produced and the number of labor hours required to produce them.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

NOT-TO-EXCEED (NTE)

An agreed upon amount between a buyer and seller, possibly subject to later negotiation, beyond which the buyer is not liable. If later negotiated, the price/cost may only be adjusted downward.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

OUTSOURCING

The acquisition of goods or services from an outside source that were previously provided in-house.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

PROFIT

The net proceeds from selling a product or service when costs are subtracted from revenues. Generally characterized as the basic motive of business enterprise. In contract pricing, profit represents an excess of revenues over and above total reimbursements for allowable costs in contract performance.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

PROPOSAL

Any offer or other submission used as a basis for pricing a contract, contract modification, or termination settlement or for securing payments thereunder.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

SOUND BUSINESS PRACTICE

The process of making logical, viable, comprehensive decisions in a competitive business environment which are intended to yield the greatest resource allocation in the execution of an efficient operation.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
4	3	2	1

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

- -

WEIGHTED GUIDELINES

A technique used by the Government to ensure consideration of the relative value of appropriate profit factors in establishing a profit objective and conducting negotiations. These profit factors include contractor's performance, contract type risk, and facilities capital investment.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
4	3	2	1

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms:

Antonyms:

Example(s):

This is the end of the First Survey! Thank You for your comments and your time!
Please e-mail your response to: Twcolver@aol.com

Thanks Again!!

REMINDER LETTER

Dear (Insert Professional's name here),

If you have not yet done so, I would appreciate it if you could critique my first survey of Acquisition and Contracting terms in the next couple of days. (Deadline to my thesis advisor is 24 March)

As you may recall, I hope to clarify a total of 25 terms as part of my thesis work at the Naval Postgraduate School in Monterey, CA. The survey should have arrived two to three weeks ago. If you didn't receive your copy I have incorporated another into this e-mail for your convenience.

I understand if you are too busy and can not find the time to respond, if this is your situation would you please send me a quick e-mail so I do not wait on your reply.

Thank you for your time and comments!

Sincerely,

Tim Colyer

APPENDIX G. SURVEY B

Appendix G contains the cover letter, questionnaire #2 and the reminder letter which were sent to a group of 24 NCMA Board of Advisors, Functional Directors, and/or Chapter Presidents.

COVER LETTER

Dear (Insert Professional's name here),

Thank you very much for helping with my thesis research at the Naval Postgraduate School. Included in this e-mail is the second survey. While every comment may not be evident in each definition, each and every response was considered and a consensus definition was developed.

Again, I realize your time is valuable. I would appreciate it if you could return the survey to me by April 10, 1997, your input is important! This will allow for a synthesis of the definitions of the second survey and the final survey to be sent out by mid April.

If you have any questions, please call me at (408) 899-8894. You can return the survey via e-mail at the above address or fax to (408) 372-4710. Thanks again for your contribution to this project. I look forward to your comments!

Sincerely,

Tim Colyer

Survey Follows:

ATTRITION RATE (related to materials)

The gradual decline of resources due to such events as spoilage, obsolescence, mechanical failure or theft.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Reduction Rate, Fall-out, Depreciation, Scrappage Rate, Falloff,***

Antonyms: ***Expansion Rate, Growth Rate,***

COST GROWTH

A term related to a net increase of an actual or projected amount over some previously established base figure. The base may be related to a project or contract and be clearly identified including source, specific items included, specific assumptions made, date and the amount.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Overrun, Inflation, Cost Increase,***

Antonyms: ***Under Budget, Cost Reduction/Decline,***

DEADLOCK

A position reached during negotiations from which the two parties are unable to move forward to an agreement.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Impasse, Stalemate, Deal Breaker,***

Antonyms: ***Closure, Agreement, Mutual Agreement, Negotiable, Breakthrough, Settlement,***

ELECTRONIC DATA INTERCHANGE (EDI)

The direct electronic transmission and receipt of business data that is machine readable and processable using an agreed upon standard between two or more organizations.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Electronic Commerce, Modem, Electronic Data Exchange, Electronic Data Transfer,***

Antonyms: ***Hard Copy, Hard Copy Data Interchange, Manual Data Transfer,***

FACTFINDING

(i) During the procurement process, it is the action of identifying and obtaining information necessary to complete the evaluation of proposals, and most particularly in preparation for contract negotiations; or

(ii) A technique of Alternate Dispute Resolution (ADR) where a third party attempts to reduce or eliminate conflict concerning factual, rather than legal matters.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Interrogatory,***

Antonyms: ***Face Value,***

LEARNING CURVE

A tool of calculation used primarily to project resource requirements, in terms of some measurable unit, such as direct manufacturing labor hours and other associated costs required for a production run. The term is used to characterize an empirical relationship between the number of units produced and the number of labor hours required to produce them by measuring how much learning has occurred and then helping predict how much effort will be required to produce future units.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Improvement Curve, Rate of Improvement,***

Antonyms: ***Worse, Digression Curve,***

NOT-TO-EXCEED (NTE)

An agreed upon amount between a buyer and seller, subject to later negotiation (either upward or downward), beyond which the buyer is not liable.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Cap, Ceiling, Limit, Limitation of Cost,***

Antonyms: ***Unlimited, Guaranteed Minimum,***

OUTSOURCING

The acquisition of goods or services from an outside source that may or may not have been previously provided in-house.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
4	3	2	1

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Buy, Contracting Out,***

Antonyms: ***Make, In-house performance,***

PROFIT

The net proceeds from selling a product or service when all costs are subtracted from revenues. Generally characterized as the basic motive of business enterprise.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
4	3	2	1

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Opportunity Cost, Gain, Net Proceeds, Surplus, Return on Investment,***

Antonyms: ***Loss,***

PROPOSAL

Any offer or other submission used as a basis for negotiating all terms and conditions of a contract, contract modification, termination settlement or for securing payments thereunder.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
4	3	2	1

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Bid, Offer,***

Antonyms: ***Non-responsiveness,***

SOUND BUSINESS PRACTICE

The process of putting into action logical, viable, comprehensive decisions intended to yield the greatest return on resource allocation in the execution of an efficient operation.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
4	3	2	1

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Prudent Business Practice, Industry Practice, Generally Accepted Practice, Prudent Judgement,***

Antonyms: ***Unsound Business Practice, Foolish, Negligence, Speculative, Irresponsible Judgement,***

WEIGHTED GUIDELINES

A technique used to ensure consideration of the relative value of predetermined factors in calculating a profit objective and conducting negotiations. These factors include such things as contractor's performance, contract type risk, and facilities capital investment.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Quantitative Profit, Structured Approach to Establishing Profit/Fee,***

Antonyms: ***What the market will bear, Arbitrary determination of profit,***

This is the end of the Second Survey! Thank You for your comments and time! Please e-mail (Twcolver@aol.com) or fax (408-372-4710) your response as quickly as possible.

THANKS AGAIN!!

REMINDER LETTER

Dear (Insert Professional's name here),

If you have not yet done so, I would really appreciate it if you could critique my second survey of Acquisition and Contracting terms in the next couple of days. (Deadline to my thesis advisor is 15 April).

As you may recall, I hope to clarify a total of 25 terms as part of my thesis work at the Naval Postgraduate School in Monterey, CA. The survey should have arrived seven to ten days ago. If you didn't receive your copy I have incorporated another into this e-mail for your convenience.

I understand if you are too busy and can not find the time to respond, if this is your situation would you please send me a quick e-mail so I do not wait on your reply.

Thank you for your time and comments!

Sincerely,

Tim Colyer

APPENDIX H. SURVEY B

Appendix H contains the cover letter, questionnaire #3 and the reminder letter which were sent to a group of 22 NCMA Board of Advisors, Functional Directors, and/or Chapter Presidents.

COVER LETTER

Dear (Insert Professional's name here),

Thank you very much for your continued help with my thesis research at the Naval Postgraduate School. Included in this e-mail is the third and final survey. Again, each and every comment was considered and a consensus definition was developed. We feel that the synthesized definition is pretty close to what is being used in the Acquisition and Contracting field. But, if you should disagree please make comments as before.

I realize that your time is valuable. However, since this is the final survey please spend some time considering synonyms, antonyms, and examples if you have not already done so. A final synthesis of the definitions will be completed after all responses are received. If you are interested in the final outcome of the definitions or would like a copy of the thesis, please indicate your desires and address on your final survey.

My deadline to Dr. Lamm is 01 May. I would appreciate if you could get your comments back to me by Saturday 27 April.

Your input is important! If you have any questions, please call me at (408) 899-8894. Please return the survey via e-mail at the above address or fax to (408) 372-4710. Thanks again for your contribution to this project. It has been a pleasure working with all of you and I look forward to your final comments.

Sincerely,

Tim Colyer

Survey Follows:

ATTRITION RATE (related to materials)

The rate of decline (usually gradual) of resources due to such events as spoilage, obsolescence, mechanical failure or theft.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Reduction Rate, Fall-out, Depreciation, Scrappage Rate, Falloff***

Antonyms: ***Expansion Rate, Growth Rate***

Example(s):

COST GROWTH

A term related to a net increase of an actual or projected amount (in dollars) over some previously established base figure. The base may be related to a project or contract and be clearly identified including source, specific items included, specific assumptions made, date and the amount.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Overrun, Inflation, Cost Increase***

Antonyms: ***Under Budget, Cost Reduction/Decline***

Example(s):

DEADLOCK

A position reached during negotiations from which the two parties are unable to move forward to an agreement.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Impasse, Stalemate, Deal Breaker***

Antonyms: ***Closure, Agreement, Mutual Agreement, Negotiable, Breakthrough, Settlement***

Example(s):

ELECTRONIC DATA INTERCHANGE (EDI)

The direct electronic transmission and receipt of business data that are machine readable and processable using an agreed upon standard between two or more organizations.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Electronic Commerce, Electronic Data Exchange, Electronic Data Transfer***

Antonyms: ***Hard Copy, Hard Copy Data Interchange, Manual Data Transfer***

Example(s):

FACTFINDING

(i) During the procurement process, it is the action of identifying and obtaining information necessary to complete the evaluation of proposals, and most particularly in preparation for contract negotiations; or

(ii) A technique of Alternative Dispute Resolution (ADR) where a third party attempts to reduce or eliminate conflict concerning factual, rather than legal matters.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Interrogatory***

Antonyms: ***Face Value***

Example(s):

LEARNING CURVE

A tool of calculation used primarily to project resource requirements, in terms of some measurable unit, such as direct manufacturing labor hours and other associated costs required for a production run. The term is used to characterize an empirical relationship between the number of units produced and the number of labor hours required to produce them by measuring how much learning has occurred and then using those data to predict how much effort will be required to produce future units or successive units during a production run.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Improvement Curve, Rate of Improvement***

Antonyms: ***Worse, Digression Curve***

Example(s):

NOT-TO-EXCEED (NTE)

An agreed upon amount between a buyer and seller, possibly subject to later negotiation, beyond which the buyer is not liable.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Cap, Ceiling, Limit, Limitation of Cost***

Antonyms: ***Unlimited, Guaranteed Minimum***

Example(s):

OUTSOURCING

The acquisition of goods or services from an outside source that may or may not have been previously provided in-house.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Buy, Contracting Out***

Antonyms: ***Make, In-house performance***

Example(s):

PROFIT

The net proceeds from selling a product or service when all costs are subtracted from revenues. Generally characterized as the motive of a "for profit" business enterprise.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Gain, Net Proceeds, Surplus, Return on Investment***

Antonyms: ***Loss***

Example(s):

PROPOSAL

Any offer or other submission used as the basis for contractual agreement, including negotiation of all terms and conditions of a contract, contract modification, termination settlement or for securing payments thereunder.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Bid, Offer***

Antonyms: ***Non-responsiveness***

Example(s):

SOUND BUSINESS PRACTICE

The process of putting into action logical, viable, comprehensive decisions intended to yield the greatest return on resource allocation in the execution of an efficient operation.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Prudent Business Practice, Industry Practice, Generally Accepted Practice, Prudent Judgement***

Antonyms: ***Unsound Business Practice, Foolish, Negligence, Speculative, Irresponsible Judgement***

Example(s):

WEIGHTED GUIDELINES

A technique used to ensure consideration of the relative value of predetermined factors in calculating a profit objective and conducting negotiations. Factors include: contractor performance risk, contract type risk, and facilities capital investment.

Please place an "X" under your evaluation of this working definition on the following scale:

Strongly Agree	*Somewhat Agree*	*Somewhat Disagree*	*Strongly Disagree*
4	*3*	*2*	*1*

If you did not strongly agree with this working definition, please make any revisions or comments here:

Synonyms: ***Quantitative Profit, Structured Approach to Establishing Profit/Fee***

Antonyms: ***What the market will bear, Arbitrary determination of profit***

This is the end of the Third and Final Survey! Thank You for your comments and time! Please e-mail (Twcolver@aol.com) or fax (408-372-4710) your response as quickly as possible. Thanks Again!!

REMINDER LETTER

Dear (Insert Professional's name here),

If you have not yet done so, I would really appreciate it if you could critique my third and final survey of Acquisition and Contracting terms in the next couple of days. (Deadline to my thesis advisor is 01 May)

As you may recall, I hope to clarify a total of 25 terms as part of my thesis work at the Naval Postgraduate School in Monterey, CA.

The survey should have arrived five to seven days ago. If you didn't receive your copy I have incorporated another into this e-mail for your convenience.

I understand if you are too busy and can not find the time to respond, if this is your situation would you please send me a quick e-mail so I do not wait on your reply.

It has been a pleasure working with you. I look forward to your final comments!

Thank you for your time and help with my thesis project!

Sincerely,

Tim Colyer

APPENDIX I. FINAL DEFINITIONS

This appendix contains the proposed final definitions for the 25 terms, which were researched in this thesis.

ARBITRATION

A technique in which the parties to a dispute submit their differences to an impartial person or group, appointed by mutual consent or statutory provision, for a final and binding determination or non-binding advisory determination, commonly associated with the Alternative Dispute Resolution (ADR) process.

Synonyms: Private Adjudication
Antonyms: Negotiation, Agreement, Litigation
Example: The arbitration authority listened carefully to both sides and researched the similar cases before making a decision.

ATTRITION RATE (related to materials)

The rate of decline (usually gradual) of resources due to such events as spoilage, obsolescence, mechanical failure or theft.

Synonyms: Reduction Rate, Fall-out, Depreciation, Scrappage Rate, and Falloff
Antonyms: Expansion Rate, Growth Rate
Example(s): None

BEST VALUE

A source selection technique which utilizes a series of quantitative (objective) and qualitative (subjective) trade-offs by evaluating factors in addition to cost, such as technical capability, past performance, delivery schedule, risk, level of quality, warranty terms, environmental impact and maintenance and management to determine which proposal is most advantageous to the buyer.

Synonyms: Best Source, Blue-Ribbon Contractor, Value for Money, Greatest Value
Antonyms: Bad Value, Poor Return
Example: Best Value selection procedures permitted buying the product with known superior quality due to emphasis on life cycle support cost.

BUY-OUT

To award a contract for all forecasted production requirements to a single contractor. Usually occurs at the end of a product's life cycle or to acquire items when a sole source contractor/supplier goes out of business.

Synonyms: Assured Quantity, Requirements Satisfaction
Antonyms: Divestiture
Example(s):
- Procurement of all of a particular component that a user can anticipate ever requiring for new production, spares, etc. when a supplier advises that he is discontinuing production of the component. By doing this, the user is avoiding having to redesign the end item to incorporate a different component required **because of the non-availability** of the original component.

- The contract to buy out the missile production requirements known for the next ten years enabled efficient volume production before the facility was closed.

CAUCUS

In negotiations, a break or cessation in the proceedings to allow the negotiators or negotiation teams to meet privately for multiple reasons.

Synonyms: Break, Regroup,
Antonyms: Continuous Negotiations, Filibuster
Example(s):
- A break in negotiations to allow one side to regroup from a "bombshell" dropped by the other side. Such breaks could also be used to control a "renegade" team member, etc…

- The team called for a caucus to discuss, in private, the implications of a complicated question.

COMPROMISE

A settlement of differences in which one or both sides makes concessions or adjustments of objectives in negotiations in order to reach an agreement.

Synonyms: Accommodation, Accord, Trade-off, Deal
Antonyms: Stalemate, Deadlock, No Deal, Intransigence, "Stonewall", Impasse, Disagreement
Example: Each party to the discussion changed from their initial position to compromise on a position which was acceptable to everyone.

CONSIDERATION

A legal term used in contracts to compensate an act which is not otherwise prohibited in exchange for the passing of some benefit to one party in exchange for a benefit to the other. It may consist of money, schedule allowance, faster deliveries or something to the parties' benefit.

Synonyms: Trade, Compensation, Exchange, Recompense, Value
Antonyms: Non-Value, Illusory Promise
Example: Since consideration can be defined as something of value, a contractor could agree to provide copies of reports not required by the contract in exchange for some form of forbearance by his customer. (i.e., perhaps extension of a delivery date).

COST GROWTH

A term related to a net increase of an actual or projected amount (in dollars) over some previously established base figure. The base may be related to a project or contract and be clearly identified including source, specific items included, specific assumptions made, date and the amount.

Synonyms: Cost Increase, Budget Creep
Antonyms: Under Budget, Cost Reduction/Decline
Example(s): None

COST RISK

An element to be considered when negotiating a fair and reasonable price, and in determining contract type, due to the degree of uncertainty estimated and the possible monetary loss or gain to either party in light of the nature of the work to be completed.

Synonyms: Uncertainty
Antonyms: Certainty
Example: The high cost risk makes a fixed-price contract unreasonable.

DEADLOCK

A position reached during negotiations from which the two parties are unable to move forward to an agreement.

Synonyms: Impasse, Stalemate, and Deal Breaker
Antonyms: Closure, Agreement, Mutual Agreement, Negotiable, Breakthrough, Settlement
Example(s): None

ELECTRONIC DATA INTERCHANGE (EDI)

The direct electronic transmission and receipt of business data that are machine readable and processable using an agreed upon standard between two or more organizations.

Synonyms: Electronic Commerce, Electronic Data Exchange, and Electronic Data Transfer
Antonyms: Hard Copy, Hard Copy Data Interchange, and Manual Data Transfer
Example(s): None

FACTFINDING

(i) During the procurement process, it is the action of identifying and obtaining information necessary to complete the evaluation of proposals, and most particularly in preparation for contract negotiations; or

(ii) A technique of Alternative Dispute Resolution (ADR) where a third party attempts to reduce or eliminate conflict concerning factual, rather than legal matters.

Synonyms: Interrogatory, Discovery, and Investigation
Antonyms: Face Value, Intuition, Best Guess, and Educated Guess
Example(s): None

FIRST ARTICLE

A model, unit, lot, or sample manufactured under normal production conditions usually before the initial stages of contract production, which is used to test for conformance to contract specifications and is representative of what will be produced under that contract.

Synonyms: First Piece, Proof Part
Antonyms: Prototype, Bread Board Model, Engineering Shop Model, Brass Board Model
Example(s): None

LEARNING CURVE

A tool of calculation used primarily to project resource requirements, in terms of some measurable unit, such as direct manufacturing labor hours and other associated costs required for a production run. The term is used to characterize an

empirical relationship between the number of units produced and the number of labor hours required to produce them by measuring how much learning has occurred and then using those data to predict how much effort will be required to produce future units or successive units during a production run.

Synonyms: Improvement Curve, Rate of Improvement
Antonyms: Digression Curve, Regression Curve
Example(s): None

LIQUIDATED DAMAGES

A contract provision or clause that stipulates the procedures to be used in determining the assessment of reasonable damages to be paid by the contractor, for failure to comply with delivery or performance requirements. Used when the extent or amount of such damages would be difficult or impossible to precisely determine at the time of contract formation.

Synonyms: Limitation of Damages
Antonyms: None
Example: The liquidated damages for failure to finish on time were set at $100,000 per week

NOT-TO-EXCEED (NTE)

An agreed upon amount between a buyer and seller, possibly subject to later negotiation, beyond which the buyer is not liable.

Synonyms: Cap, Ceiling, and Limit
Antonyms: Unlimited, Guaranteed Minimum, Undefined Amount
Example(s): None

OUTSOURCING

The acquisition of goods or services from an outside source that may or may not have been previously provided in-house.

Synonyms: Buy, Contracting Out
Antonyms: Make, In-house performance
Example(s): None

PARTNERING

A method whereby two or more organizations develop a commitment and working relationship for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

Synonyms: Teaming, Cooperative Relationship
Antonyms: Adversarial Relationship, Arms Length Relationship
Example(s): None

PAST PERFORMANCE

An evaluation of an offeror's contractual performance to be used as an indicator of future contract performance. It can be used either as a responsibility determination factor or a source selection factor, or both.

Synonyms: Contractor Performance Assessment Report (CPAR), Track Record, Vendor Rating System
Antonyms: Future Performance
Example: The past performance record of no late deliveries, high customer satisfaction reports, and no failures were significant factors in the decision to award the follow-**on contract to** the prior contractor.

PROFIT

The net proceeds from selling a product or service when all costs are subtracted from revenues. Generally characterized as the motive of a "for profit" business enterprise.

Synonyms: Gain, Net Proceeds, and Surplus, Return on Investment
Antonyms: Loss, Short Fall
Example(s): None

PROPOSAL

Any offer or other submission used as the basis for contractual agreement, including negotiation of all terms and conditions of a contract, contract modification, termination settlement or for securing payments thereunder.

Synonyms: Bid, Offer, and Quotation
Antonyms: Silence
Example(s): Rate negotiations, Incurred cost submissions

SOLICITATION

A method of notifying prospective offerors that a buyer wishes to receive bids, quotes, or proposals on a set of requirements to provide supplies or services.

Synonyms: RFP, IFB, RFQ, Broad Agency Announcements, Notices, Invitation to Tender
Antonyms: Market Survey Inquiry
Example: Their solicitation (action Verb) for offerors to provide bids was a standard, **computer**-produced solicitation (Noun) document.

SOUND BUSINESS PRACTICE

The process of putting into action logical, viable, comprehensive decisions intended to yield the greatest return on resource allocation in the execution of an efficient operation.

Synonyms: Prudent Business Practice, Industry Practice, and Generally Accepted Practice, Prudent Judgement
Antonyms: Unsound Business Practice, Foolish, Negligence, Speculative, Irresponsible Judgement
Example(s): None

UNSOLICITED PROPOSAL

A written proposal submitted to a potential buyer, not in response to a formal solicitation, for the purpose of obtaining a contract from the buyer.

Synonyms: Unsolicited Offer, Innovative Proposal
Antonyms: RFP, Solicited Proposal
Example(s): None

WEIGHTED GUIDELINES

A technique used to ensure consideration of the relative value of predetermined factors in calculating a profit objective and conducting negotiations. Factors include: contractor performance risk, contract type risk, and facilities capital investment.

Synonyms: Quantitative Profit, Structured Approach to Establishing Profit/Fee
Antonyms: Arbitrary determination of profit, Best Guess
Example(s): None

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